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ANNIVERSARY
1941 - 1991

Daily Report

Soviet Union

FBIS-SOV-91-235
Friday
6 December 1991

Daily Report
Soviet Union

FBIS-SOV-91-235 CONTENTS *6 December 1991*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NOTICE TO READERS: The United States Government recognizes the independence of Estonia, Latvia, and Lithuania.

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Arms Control & Disarmament

More on Nuclear Disarmament Talks in U.S.

PM0512170791 Moscow KRASNAYA ZVEZDA in Russian 5 Dec 91 First Edition p 3

[TASS Diplomatic Correspondent A. Surzhanskiy report: "15,000 Soviet Nuclear Warheads Eliminated by Year 2000"]

[Text] Moscow, 4 Dec—"The second round of Soviet-U.S. consultations on nuclear disarmament just ended in Washington was extremely productive and useful," Aleksey Obukhov, head of the Soviet delegation to the consultations and USSR deputy minister of external relations, said. This round of talks was special, he noted, in that the USSR and the United States began a concrete examination of a number of issues relating to the implementation of the initiatives submitted by the two countries' presidents as regards the safe handling [bezopasnoye obrashcheniye] of, control over, and elimination of nuclear weapons.

According to the Soviet diplomat, an important result of the consultations was the sides' confirmation of their commitment to the Soviet-U.S. statement of 1 June last year on future talks on nuclear and space arms and on further strengthening strategic stability. Aleksey Obukhov reckons that this effectively heralds the resumption of the negotiating process on this subject without "unwarranted holdups."

When asked by TASS's correspondent about the U.S. position on halting nuclear tests and the possibility of its subscribing to the USSR's unilateral moratorium, the deputy minister said that the U.S. side's position remains the same, its main argument being that it is unready to take such a step.

Aleksey Obukhov reported that, within the framework of a program for global protection against limited strikes, the United States is proposing to deploy a system of ABM defense capable of intercepting up to 200 nuclear warheads. When asked whether this project would bring about a fresh spiral of the arms race, the Soviet diplomat said that "there is this worry," adding that the "USSR's readiness to consider this U.S. idea should not be seen as all-out agreement with it."

Speaking about the planned schedules for the elimination of both countries' armaments, Obukhov said that a start to the dismantling of U.S. nuclear warheads would be made in the first half of 1992, the intention being to complete this in 1997. As for the destruction of the Soviet nuclear potential, the Navy's tactical weapons are to be eliminated by 1995 and tactical missile warheads by the year 2000. The diplomat attributed this time difference to the more imposing scale of this work in the USSR. The intention is to eliminate roughly 15,000 Soviet nuclear warheads in all.

Aleksey Obukhov noted that representatives of all republics with nuclear weapons (Russia, Belarus [Belorussia], Ukraine, and Kazakhstan) took part in the Soviet-U.S. consultations, confirming their commitment to the concept of "centralized nuclear control."

'Drastic' Nuclear Arms Cuts Urged

PM0512144091 Moscow NEW TIMES in English No 45, 12-18 Nov 91 pp 18-20

[Article by Aleksey Arbatov, director of the Center for Disarmament and Strategic Stability at the Foreign Policy Association of the USSR, and Thomas Cochrane, senior researcher at the Natural Resources Defense Council of the United States: "Finale Is Important, Not START"]

[Text] Strategic Arms Reduction Treaty (START) was signed last July after many years of negotiations. The targets set in the Treaty can hardly inspire even optimists, however.

The slashing of the strategic arsenals of each of the two powers by the year 2000 from more than 10,000 nuclear warheads to 6,000 does not accord much with the widely declared aim of partnership. It can be repeated hundreds of times that Moscow and Washington no longer regard each other as enemies. The bipolar military confrontation will remain a fact, however, if the two powers continue to keep thousands of nuclear warheads aimed at each other.

Semi-Partners, Semi-Enemies

Since the nuclear missile potentials of the Soviet Union and the United States remain at high levels their missiles are aimed at each other simply because there are not so many targets in the rest of the world. The two countries do not have political or strategic reasons to attack each other, and are not expected to have such in the near future.

The White House and the Kremlin obviously see this contradiction, as is evident from President Bush's initiative and Mikhail Gorbachev's reply in September and October which proposes a faster arms reduction compared with that envisaged by START. It is a half-measure, however.

Washington proposed large-scale measures. One of them is elimination of all ground-based intercontinental ballistic missiles with independently targeted warheads which constitute up to 60 percent and about 20 percent of the total in the Soviet Union and the United States respectively. Simultaneously, Washington announced measures for dismantling and placing in depots nuclear arms from heavy bombers, lowering the degree of their take-off readiness, and removing old missiles to be scrapped from combat alertness (four percent reduction in the total amount of warheads).

Instead of going further, Moscow made only a timid half-step by proposing to cut the strategic arsenals of the two countries to 5,000 (not 6,000) nuclear warheads, remove nuclear weapons from bombers, and withdraw slightly more obsolete missiles, to be scrapped under the Treaty, from the state of combat alertness within a shorter time.

An Expensive Undertaking

In the next ten years it will not be easy to decide on taking deep cuts in the ground- and sea-based ballistic missiles. First of all, the processes of dismantling, elimination and conversion involved in the reduction of weapons are economically expensive and technically complex. Even cuts under START, modest by present standards, will require considerable expenditure.

Secondly, a sharp reduction in the number of warheads will call for a more drastic reduction in the number of carriers, for a large part of missiles have multiple warheads. As a result, the Soviet Union and the United States would retain a small amount of ground- based missile launchers and a considerably shrunken fleet. Mutual vulnerability would increase, thereby undermining strategic stability. The situation could be corrected by way of deploying missiles with monoblock heads instead of multiple warhead missiles with a large part of forces consisting of mobile launchers. It is a very expensive undertaking, however, and it will take much time to implement these measures. The Soviet Union, with its economy in a deplorable state, has little, if any, possibility of putting this idea into effect.

Lastly, a more drastic reduction would call for new talks and, since we are living in the nineties, it would overlap the time limits of START. The finished treaty would be put off again for the sake of a more attractive but unfeasible objective.

The Hidden Race

There is a way out nevertheless. During the nineties the strategic nuclear forces of the two powers could be reduced not to 6,000 or 5,000 but to 10 percent, to 1,000 warheads for each party, without undermining stability and national security and without additional excessive expenditure, without discarding START, which was worked out with great difficulty.

Signing START in the summer of this year, the two parties intended first of all to cut obsolete armaments while continuing to deploy new expensive systems (multiple-warhead missiles, heavy bombers, mobile land-based intercontinental ballistic missiles, both with monoblock and individually targetable heads). As a result, by the year 2000 the two powers would have cut their forces by 30 percent. However, they would have completely modernized them by enhancing their striking power. Moreover, they would have to spend money on the modernization of missiles, the elimination of old ones, and measures of control.

START does not at all envisage the reduction of nuclear weapons in this way. Another approach could be based on two principles. First, it is a qualitative exchange as regards destabilizing systems and, second, a broader use of the method of "unloading" ballistic missiles, that is, removal some of the warheads from the multiple warhead instead of eliminating missile carriers and their launchers.

Nuclear Stumbling Block

Mutual elimination of destabilizing systems. Moscow should at last agree to a reduction of heavy silo-based SS-18 missiles not by half, as specified in START (to 154 units), but to zero. These missiles, each carrying ten warheads of a megaton class, are a cold- war legacy. They are regarded in the West as silokillers, first strike weapons, particularly because they are not fit for a retaliatory blow since they will not "survive" in their silos. At present 104 SS-18 missiles are deployed in Kazakhstan and the rest 204 on the territory of the Russian Federation. They are produced at the Dnepropetrovsk missile plant in the Ukraine.

Strategic armaments of this type are like a stumbling block in the way of radical disarmament. They impel the United States to develop countersystems: 50 silo-based Peacekeeper missiles, each carrying ten warheads, and 96 Trident-2 ballistic missiles based on submarines. Trident-2 missiles, each carrying eight warheads, are deployed on four new submarines of the Ohio class. Thanks to their high accuracy they are intended to hit Soviet silos.

Soviet SS-24 missiles are similar to the Peacekeeper system. Ten of these missiles (the weapons are produced in Pavlograd) are based in silos in the Russian Federation and 46 in the Ukraine. They would have to be dismantled, too, especially since they are a tempting and vulnerable targets and are fit for the first strike only.

Thus, Moscow would dismantle two systems - 364 missiles (3,640 warheads) and Washington would do the same - 146 missiles (1,268 warheads). Moreover, it would give up plans of deploying 336 more Trident-2 missiles (2,688 warheads) on the other 14 submarines of this class.

The method of complete "unloading" (to zero) could help to withdraw much more quickly and cheaply all the obsolete ground-and sea-based missiles which were to be destroyed under the Treaty. Otherwise, the statements on their removal from the state of alertness cannot be verified. If the parties concerned detach all the warheads from these missiles and put them in storage, agree on additional procedures of control and thereby withdraw them from the nuclear balance, the dismantling of these missiles, silos and submarines could be effected over a longer period. This could be done with less expenditure, and the ways of using the systems for peace purposes could be thought out thoroughly.

The remaining advanced systems should be partially "unloaded." It will be a quick and cheap reduction of the number of warheads, and their concentration and vulnerability will decrease at the same time.

Generals Can Sleep Quietly

In 1995 the United States would have 940 ground- and sea-based missiles, 20 submarines and a total of 2,460 nuclear warheads. The Soviet Union would retain 1,146 missiles, 21 submarines and a total of 2,400 warheads in its strategic offensive arsenal.

In other words, by 1995 (instead of 2000) the two countries would have lessened their arsenals of warheads not by 30 or 50 percent, as Gorbachev proposed in October, but by 75 percent. Without breaking the assymetry usual for the Soviet General Staff, the United States would have roughly 70 percent of its warheads on the sea and the Soviet Union—about 60 percent of its warheads on land. The Americans will traditionally retain slightly more warheads and the Soviet Union—a few more carriers.

All this can be achieved with less expenditure while strengthening stability and preserving the START structures. Besides, by combining unilateral and reciprocal measures the two parties could maintain the military strategic parity so dear to the hearts of brass hats. True, the vast programmes of modernization will have to be curtailed sharply, but in any case this will be required by the economic situation. Let the military-industrial complexes of the two powers put up with the present situation. The era of militarist bonanza is over.

It is necessary, of course, to weaken the restrictions on "unloading" which are specified in START for fear of uncontrolled "reverse loading." The system of control can be extended considerably. Let inspectors stay permanently at missile bases, airfields and ports. At worst, the two countries will have roughly equal opportunities for a reserve expansion (2,000 to 2,500 warheads and missiles from the stores).

The second stage, covering a period from 1995 to 2000, will call for START-2. There will be time to work out such a treaty in the first half of the current decade. The new treaty could be based on the principle of a further "unloading" of missiles, up to the complete removal of warheads from some portion of missiles. The missiles will remain in their positions while the warheads will be kept in stores under the permanent control of the other party.

When Missiles "Grow Thin"

As a result, the United States will retain 100 silo-based monoblock ICBMs of the type of "unloaded" Minuteman-3 or new, Midget-man missiles and 400 missiles in silos, but without warheads. Its naval force would consist of 18 Ohio-class submarines equipped with Trident-Is (or a missile of a new type), each with two warheads. The Soviet Union would have 400 ground mobile SS-25 missiles, plus 250 silo-based SS-19 and SS-25 missiles "unloaded" to zero. The missiles on Typhoon submarines would have not four but three warheads each, while the missiles on 13 Delta-IV (Delfin) submarines could be "unloaded" from three to one warhead.

In all, the United States will have 18 submarines and 932 missiles in active service (including missiles with removed warheads), and 964 nuclear warheads in firing trim, whereas the Soviet Union will have 19 submarines, 978 missiles and 968 warheads. In other words, the strategic arsenals will be cut by 90 percent (in the number of warheads) while the number of carriers and warheads will be roughly one to one, that is, close to the ideal of stability. The opportunities for a "reverse" will be equal, too.

The reduction of the number of warheads below the 1,000 level is not only of symbolic but also of political-strategic importance. The nuclear weapons of the two countries will become comparable in their amount (while keeping a substantial "unloaded" reserve) with the forces of other nuclear powers. The bipolar nuclear confrontation will cease, and Moscow and Washington will be able to candidly say that they are no longer enemies or opponents in the strategic respect. The other nuclear countries could be drawn into the process of multilateral cuts.

And the last thing. Such measures are possible if strict restrictions are preserved on the deployment of strategic anti-missile defence, including ground- and space-based interception systems. For this reason Moscow's consent in October to devise a non-nuclear anti-missile system seems to be a wrong decision (as if no one knew before that the Strategic Defence Initiative is a non-nuclear programme). The two powers have far more promising areas of cooperation, including cooperation in achieving the aims by which the "joint" anti-missile defence system is justified.

Worldwide Issues

More on Churkin's External Relations Briefings

Discusses Ministry Assets; Sanctions

LD0412122991 Moscow TASS International Service in Russian 1935 GMT 3 Dec 91

[By TASS diplomatic correspondent Andrey Pershin]

[Text] Moscow, 3 Dec (TASS)—The assets of the Union Ministry for External Relations, which the Russian government has decided are to be transferred to the Russian Soviet Federated Socialist Republic [RSFSR] Foreign Ministry, will be discussed during the forthcoming meeting between Boris Yeltsin and Eduard Shevardnadze. This was announced today at a briefing held in Moscow by Vitaliy Churkin, head of the USSR Ministry for External Relations Information Department. According to him, the only official edict that the ministry has is the USSR State Council ruling, which the RSFSR president played a part in adopting, on central financing of the Union foreign policy establishment. "The decision by the Russian government adds certain nuances to this entire issue, and we have not so far had an opportunity to fully ascertain them", said the spokesman. We consider, he continued, that this issue is not of primary significance; the most important thing for us is to concentrate on our work.

In connection with the EC decision to repeal sanctions against Slovenia, Croatia, Macedonia, and Bosnia-Herzegovina while maintaining them against Serbia and Montenegro, the spokesman voiced concern that "this move might prove counterproductive" and, in particular, "cut short displays of cooperativeness which they had just begun to show by speaking out for the dispatch of UN forces to Yugoslavia".

The diplomat announced that "the EC's argument for such a selective approach in the context of the current circumstances is not entirely clear". In his opinion, it would be better to judge the conduct of the parties to the Yugoslav conflict above all by their behavior on the key issue—maintaining the cease-fire agreed in Geneva. According to information from the special representative of the UN Secretary General, there have been violations of the Geneva agreement by both sides, which "evidently does not provide grounds for a selective approach".

Ukraine Independence Viewed

LD0412164191 Moscow TASS International Service in Russian 1546 GMT 4 Dec 91

[By TASS diplomatic correspondents Vladimir Suprun and Aleksey Tabachnikov]

[Text] Moscow, 4 Dec (TASS)—Commenting on the results of the referendum on independence in the Ukraine, Vitaliy Churkin, the head of the USSR Ministry of External Relations Information Directorate, stated at a briefing today on behalf of the ministry he represents that "we certainly respect the will of the citizens of this sovereign state, but we do not regard the results of the referendum as an act of the Ukraine's automatic isolation from the Union."

The process of forming a new confederative democratic community is not yet completed, and the need is evident to approach this process with all political realism and dispassion, taking account of the crucial nature of the current period, which is also of international significance, he stressed.

Shevardnadze, Yeltsin Talks Noted

LD0412163691 Moscow TASS International Service in Russian 1440 GMT 4 Dec 91

[By TASS diplomatic correspondents Vladimir Suprun and Aleksey Tabachnikov]

[Text] Moscow, 4 Dec (TASS)—Issues concerning the reorganization of the USSR Ministry for External Relations and the functioning of the diplomatic service were examined at a meeting today between USSR Minister for External Relations Eduard Shevardnadze and Russian President Boris Yeltsin. This was stated at a briefing today by Vitaliy Churkin, head of the USSR Ministry for External Relations Information Directorate.

He reported that an accord was reached during the meeting to return to the settlement of certain financial and property issues which had recently arisen concerning the activity of the USSR Ministry for External Relations after the fate of the Union treaty has been determined.

Vitaliy Churkin said that in the course of the conversation major problems concerning the internal political life of the USSR were touched on, in particular with regard to the prospects for concluding a Union treaty, and also certain matters of the country's international position.

Vitaliy Churkin explained that this meeting could be seen primarily as the first in a series of meetings planned by Eduard Shevardnadze with the leaders of the former Union republics.

[Moscow INTERFAX in English at 1745 GMT on 4 December 1991 transmits a similar report, which adds the following: "In Churkin's opinion, the meeting between the leaders of Russia, Ukraine, and Belarus [Belorussia] coming in Minsk December 6 without the participation of the central government is a normal function. The centre need not be present at such meetings."]

Remarks on Walesa, Cuba, Mideast

LD0512161491 Moscow TASS International Service in Russian 1507 GMT 5 Dec 91

[By TASS diplomatic correspondents Sergey Nikishov and Leonid Timofeyev]

[Text] Moscow, 5 Dec (TASS)—The leitmotif of the telephone conversation which took place on 4 December between USSR President Mikhail Gorbachev and Polish President Lech Walesa was the statement by Walesa that "existing links must not be broken." This was reported by Vitaliy Churkin, head of the Information Directorate of the USSR Ministry of External Relations, in answer to journalists' questions at a briefing today.

He informed representatives of the mass media that the Polish leader expressed support for Mikhail Gorbachev's concept for reforming the Soviet republics. Walesa, the diplomat said, demonstrated his adherence to the evolutionary—not revolutionary—path for implementing democratic reforms. "Freedom, yes. Democracy, yes. The path leading to a breaking of links, no," the Polish president said.

Answering a question on Moscow's attitude regarding the delay by the Israeli delegation which is to take part in the Arab-Israel talks in Washington, Vitaliy Churkin stressed that the most important thing is for the talks to take place without additional "friction." It is important, he continued, for the friction which has occurred to be settled, and this is the task facing Aleksandr Belonogov, deputy minister of external relations, who left for the American capital today.

Touching on yesterday's meeting between Eduard Shevardnadze and his Cuban colleague, Isidoro Malmierca Peoli, the head of the USSR Ministry of External Relations Information Directorate noted that the conversation was about complicated economic problems, including Cuba's debt. Vitaliy Churkin expressed regret over the worsening of the economic situation in Cuba, caused partly by the breach in bilateral relations.

Vitaliy Churkin rejected allegations by some Afghan leaders that Afghan POW's are being held in the Soviet Union. "We would like as large a number of our POW's in Afghanistan to be freed as soon as possible, as the Afghan delegation promised, before 1 January," the diplomat said, continuing on this theme. He reminded journalists that, according to some estimates, there are 305 men missing in Afghanistan. Of these, around 100 can be considered as being held prisoner. "We are very much counting on upcoming contacts, including Russian Vice President Rutskoy's visit to Pakistan, being able to advance this issue in a favorable direction", the Soviet diplomat said in conclusion.

Notes Shevardnadze Talks, Antall Visit

LD0512212491 Moscow TASS in English 1653 GMT 5 Dec 91

[By TASS correspondent Sean M. Wood]

[Excerpts] Moscow December 5 TASS—The thrust of a meeting today between Estonian Prime Minister Edgar Savisaar and Soviet Foreign Minister Eduard Shevardnadze was economic cooperation, Soviet foreign affairs spokesman Vitaliy Churkin said today at a press briefing. Churkin remarked, "There is a special economic relationship between Estonia and the Soviet Union and a break in relations could have negative effects on Estonian business partners located on Soviet territory." He added that the two leaders would try to resolve the two countries' major differences, no matter how difficult.

Cooperation will also set the tone of two other meetings taking place tomorrow. Prime Minister of Hungary Jozsef Antall arrives tonight and will sign an agreement tomorrow with Soviet President Mikhail Gorbachev on "good neighbourliness and cooperation between the two countries." An analogous agreement is expected to be signed between Antall and Russian President Boris Yeltsin.

In another meeting today, the Foreign Ministry spokesman said Shevardnadze discussed complex economic problems with his Cuban counterpart, Isidoro Malmierco Peoli. The focus of the dialogue was Cuba's indebtedness to the Soviet Union. "There are no simple solutions", Churkin commented. [passage omitted]

Churkin commented for reporters on the military coup in the African country of Togo, asserting, "we condemn the use of force by the military putschists which led to the loss of lives. At the same time, we are pleased at the signs of a developing agreement between the opposing sides which we hope will restore the fledgling democratically oriented government which was overthrown."

Churkin told reporters Deputy Foreign Minister Aleksandr Belonogov has flown to Washington today, to help the stymied Middle East peace process along. Belonogov will also discuss the multi- lateral peace talks scheduled for January 28-29 in Moscow.

On a final note, the Foreign Ministry condemned all acts of terrorism and said it will do everything within international legal structures to help fight it worldwide, according to Churkin. The Foreign Ministry hopes to see some 100 Soviet prisoners released from Afghan prisons by the end of the year, as an Afghan delegation promised. "As for Afghans imprisoned here, we hold to the true statement that there are none on Soviet territory", Churkin assured.

Foreign Ministry Official on Mideast Meeting

OW0512173491 Moscow INTERFAX in English 1515 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] More than 20 states will participate in a meeting to get multiparty negotiations on the Middle East settlement on track, said a senior official of the USSR Foreign Ministry. The meeting is scheduled to be called on January 28-29 in Moscow. The diplomat told IF [INTERFAX] that the question of who and why should be invited to Moscow will be up to the Soviet Union and the United States, co-chairmen of the peace process, to decide. According to him, the Moscow meeting will probably open at the level of foreign ministers and continue at the expert level.

United States & Canada

U.S. Embassy Seeks Missing Construction Chief

PM0512095791 Moscow KOMSOMOLSKAYA PRAVDA in Russian 4 Dec 91 p 1

[I. Kadulin report: "Search for W. Clayton Already Going On"]

[Text] Yesterday we wrote that one of the American construction workers involved in the restoration of the U.S. Embassy following a fire, has disappeared.

It transpires that Warren Clayton came to the USSR in September and was put in charge of the whole construction project. In this capacity, Clayton had total access to all the embassy's premises, including secret ones.

Clayton was to have left Moscow and to have returned to the headquarters of the construction firm, "The Bechtel Company" in San Francisco 12 November. But he has not returned there. A special security group from the embassy as well as the capital's militia are involved in the search.

China

Delegate Interviewed on PRC Border Talks

OW0512130491 Moscow Radio Moscow in Mandarin 2200 GMT 4 Dec 91

[Report on interview with (Zhileyev), head of the Soviet delegation to the fifth round of Soviet-Chinese talks on reducing military forces in border areas and on strengthening trust in the military sphere by station correspondent (Shardov); place and date not given; from the "Hello China" program]

[Text] [(Shardov)] What are the chief results of the fifth round of talks? What important steps have been taken toward reducing military forces on the Soviet-Chinese border and enhancing trust?

[(Zhileyev) speaks in Russian, fading into Mandarin translation] (Zhileyev) said: I would like to refer you to a sentence in the press communique issued by the Soviet and Chinese sides at the end of the talks. It says: The two sides made some progress during the talks. What does this mean? The talks touched on numerous important issues. Among them were elements for reduction, the types of armaments and military technologies involved, the use of such information as initial data on the levels of military force after the reduction, and monitoring and (?confidence-building) measures. During the Moscow talks, we made certain progress on such important issues as the guiding principles for the reduction of military forces. The two sides narrowed the differences in their positions. The most important achievement is that we reached agreement on the elements for reduction—Soviet and Chinese Army and Air Force border units. Strategic missile corps, air defense units, and naval troops fall outside the scope of reduction, because these units are not the principal elements of military confrontation between our two countries. This is the first point.

Second, during the Moscow talks, the Soviet and Chinese sides presented their drafts of a general agreement to be concluded in the future. These drafts were based on the exchange of opinions during previous talks. Hence, many principles were (?identical) or similar. (Zhileyev) stressed: This has enabled both sides to take an important step toward reaching a general agreement in the future. I would like to add that during the Moscow talks, we successfully exchanged views on (?strategic) issues. This is very important, because we can narrow our differences of opinion by clarifying our positions. Besides, we can begin working out specific measures addressed in our drafts of the general agreement.

Says Talks 'Businesslike'

OW0612121791 Moscow Radio Moscow in Mandarin 2200 GMT 5 Dec 91

[Report on interview with (Zhileyev), chief of Soviet delegation at fifth round of Sino-Soviet border troops reduction talks, by unidentified reporter; date, place not given; from the "Hello China" program]

[Text] Both parties to the fifth round of talks on reducing troops in Sino-Soviet border areas have agreed to cut their Army and Air Force units. The talks ended on 1 December. This was disclosed by (Zhileyev), leader of the Soviet delegation, at the end of this station's interview with him. Other results of the Moscow talks include attainment by the two sides of identical or similar stances on many clauses in their future joint agreement on mutual troop reductions in border areas and on confidence buildup in the military sphere. During the interview, (Zhileyev) described the atmosphere at the Soviet-Chinese talks.

[Begin recording] [(Zhileyev) in Russian, fading into Mandarin translation] Soviet diplomats only tersely noted that the talks were held in a friendly and businesslike [you hao he wu shi] atmosphere. This characterization is not only confined to the atmosphere of the talks. Our talks have lasted two years. During that period, delegates from the two sides fostered close relations. Our relations do not only reflect concerns about the business at hand. They reflect understanding and mutual trust. We did not argue with or attack each other during the talks. Instead, we discussed issues of common concern in a businesslike and constructive fashion.

Of course, we raised some very sharp issues. This is natural because the issues are very complicated. They concern many aspects of life in the two countries that are extremely sensitive and delicate. For instance, they pertain to defense capability and national security.

But neither side attempted to impose its wishes on the other. We held immediate or preparatory discussions of the proposals made at the talks before holding formal discussions. I would like to stress that the atmosphere is particularly favorable to bringing the stances of the two sides closer. It enabled us to conduct the talks smoothly.

[Reporter] Was it very difficult for you to make decisions during the talks?

[(Zhileyev)] Sometimes it was indeed very difficult. [end recording]

The head of the Soviet delegation to the Sino-Soviet talks on border troops reduction continued: Why was this? I have already explained it. The main reason is that the issues under discussion are too delicate. Nevertheless, the two sides reached an understanding prior to the talks that any decision should be based on the following two points: First, it should not hurt the defense capabilities and national security of either side. Second, any future agreement should not harm a third country's interests.

Both the Soviet Union and China hope to work together for the cause of peace and to contribute to security in the Asia-Pacific region.

[Begin recording] [Reporter in Russian, fading into Mandarin translation] The Chinese delegation reportedly visited the Northern Caucasus Military District after the talks. Can you tell us the purpose of the visit?

[(Zhileyev)] I would like to point out that we started exchanging visits to each other's military districts once we initiated the talks. One of the purposes of our talks was to enhance mutual trust in the military sphere. It is generally agreed that such fact-finding visits can lead to the successful resolution of related problems. Another purpose of those visits is to establish direct contacts among troops and military departments and personnel between the two countries. I believe that my Chinese counterpart, Wang Ganghua, head of the Chinese delegation, holds the same view. The hospitable and sincere reception accorded the Chinese delegates during their visit to Northern Caucasus has added new dimensions to our friendly contacts in Moscow. [end recording]

Commentary on China, Nonproliferation Treaty

OW0612045991 Moscow Radio Moscow in Mandarin 1000 GMT 5 Dec 91

[Alekseyev commentary from the "Asian Affairs" program—read by announcer]

[Text] PRC Vice Premier Tian Jiyun said while meeting with Japanese Prime Minister Miyazawa in Tokyo: China wants to accede to the Nuclear Nonproliferation Treaty soon. A commentary by station commentator Alekseyev on this subject follows:

I would like to call your attention to the fact that the Nuclear Nonproliferation Treaty has been signed for 23 years and that 118 countries have so far acceded to the treaty. Three large nuclear powers—the Soviet Union, the United States, and Britain—guarantee the implementation of the nuclear nonproliferation system as stipulated in the treaty.

In 1968, four years after China possessed nuclear weapons, the Nuclear Nonproliferation Treaty was signed. However, China did not sign the treaty at that time, nor has it since. At this time, we do not need to delve into why China has taken such a stand.

What I like to point out is this: China's foreign policy at that time was a radical one resulting from the Cultural Revolution. Years have passed since then. For years China has pursued a different policy internationally, and it has firmly stood for extensive international cooperation in reducing the nuclear threat.

I would also like to point out that Chinese leaders have stressed on more than one occasion that China has never sold nuclear weapons to any other country, nor has it sold technology for manufacturing such weapons, nor will it do so in the future. Under these circumstances, it is completely logical for China to accede to the Nuclear Nonproliferation Treaty. I think this step is all the more important under present conditions because the prevention of nuclear proliferation has once again become the focus of world attention. The reason for this is obvious: The nuclear technology originally monopolized by the great powers is now also possessed by other countries, including some Asian countries. This problem has become rather acute in Asia. The military and political situation is unstable in some areas where there is no control over nuclear weapons and where there is a greater danger of nuclear proliferation. This is also an aspect that cannot be ignored. Therefore, China's acceding to the Nuclear Nonproliferation Treaty will undoubetedly be of positive significance.

As a large, influential country enjoying high prestige in the world, China can effectively promote the implementation of the Nuclear Nonproliferation Treaty in Asia. Besides, China's acceding to the treaty will undoubtedly have a positive influence on its relations with Western countries, including the United States. Incidentally, during his recent visit to Beijing, one of the main subjects of U.S. Secretary of State Baker's talks with Chinese leaders was China's acceding to the Nuclear Nonproliferation Treaty.

Northeast Asia

Official Comments on DPRK Border Treaty

SK0512145791 Moscow Radio Moscow in Korean 1330 GMT 2 Dec 91

[Comments by (Sudarikov), ambassador and Soviet head of the Soviet-Korea Combined Demarcation Committee, from the "Various Aspects of Cooperation" program; date and place not given—recorded in Russian with superimposed Korean translation]

[Text] The border treaty has already been put into effect. An elaborate and enormous amount of work has been done for four years, because no documentation had existed prescribing the border between the two countries at all. The border line extends only 39.4 kilometers but is very crowded. From both sides tens of thousand people a year cross the border. Important items for the national economy of both countries, such as ores, coal, rough timbers, machine tools, machinery, facilities, clothes, rice, vegetables, and fruits, are being shipped across the border. Such a fact requires spontaneous maintenance of order and resolution of all practical issues between the Soviet Union and the DPRK border garrison authorities and between these authorities and the soldiers crossing the border. The treaty determines border crossing procedure in detail, including the use of the border area and economic activities.

If we are to speak about the border, it divides the Tuman River in the middle. The waters of the Soviet Union and of the DPRK have been clearly partitioned. Now the border has marks for the border garrisons.

In conclusion, I would like to point out that there was no discord in principle between the Soviet Union and the DPRK during the procedure of determining the border line. All the problems were swiftly resolved with an understanding that the border between the two countries is one for longtime good neighbors and friends.

DPRK Venture Conflict 'Close to Resolution'

OW0612012691 Moscow INTERFAX in English 1515 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] "The conflict between the Korean and the Soviet sides is close to resolution," said Yuriy Gutin, the Soviet representative of the joint venture ROZEK [not further identified], at a Moscow press-conference The three-year-old Soviet, North Korean and Japanese venture hires out, rents and services foreign-made cars.

According to Mr. Gutin, the conflict erupted when the Korean staffers began to sell the joint venture's property and to buy machinery, equipment and timber for export to North Korea. The Soviet staffers held a strike in protest against the illegal actions of the Koreans. The Korean executives retaliated by firing some of the Soviet staff and even by a direct violence, said Mr. Gutin.

Talks held in November resulted in the signing of a joint Soviet- Korean statement of understanding under which the agreements on the sale of the ROZEK property were recognized as null and void, and the fired staff must be reinstated.

But the conflict must be finally resolved at the sitting of the ROZEK board on December 14. "In case the Koreans stand their ground, we'll sever all relations," said Mr. Gutin.

Japanese Food Aid Credit Delay Reported

PM0512144591 Moscow KOMSOMOLSKAYA PRAVDA in Russian 5 Dec 91 p 3

[Report by correspondent N. Tsvetkov: "Spring Has Passed, Followed by Summer. Thank You, Tokyo, for That"]

[Text] Tokyo—An interesting anniversary is approaching. No, in this case I do not have in mind the 50th anniversary of the Japanese attack on Pearl Harbor, about which a very great deal is being said and written in Tokyo now. The 50th anniversary of Pearl Harbor falls on 7 December. And 10 December it will be exactly one year since the memorable moment when the Japanese Government decided to render urgent humanitarian food aid to the Soviet Union. Aid worth $100 million.

Much has changed over the year. For instance, the Soviet Union has ceased to be. The cabinet has changed in Japan. An even more impressive sum—$2.5 billion—has been added to the original sum promised. And only one thing remains constant: The Soviet side has not received a single yen from either the first or the second sum.

Actually, they say we must wait at least three years for the promised sum. But it is not only the presence of the word "urgent" in the aid's name which is of interest. It is also humanitarian. Let's investigate. It is a case of credit at an annual interest rate of 6.7 percent. For three years. That is, having received $100 million today, in three years' time we will return $120 million. Strictly speaking these are not draconian terms. There are tougher interest rates—for instance 15 percent per annum and there are also those anxious for such credit. Only no one calls such assistance humanitarian. Just as even the "third yen loan" granted to China by Japan is not called humanitarian. And it looks more attractive than "our" loan: It is 800 billion yen (over 3.5 billion) for 20 years at an annual interest rate of three percent.

One more element. The promised $100 million are food aid. It is being suggested to the recipient, or rather he is being told, to spend it on specific foods and without fail in Japan. Yet the food here "is extortionate." For instance, rice is the most expensive in the world. Although there are cheaper foods on the list: a powdered cocoa substitute, powdered milk, or, for instance, citric acid. For the same money third countries could have supplied us with far more food.

So, without having so far received a cent, we have already said "thank you" many times. At top union level and at republican level. And the Japanese press recalls the good will gesture with a regularity as great as that with which it repeats the Japanese position on the territorial problem.

I recently acquired an amusing document. On official paper, but even so you cannot understand it. No signature and no date. It is called simply "Questionnaire for the Foreign Economic Bank." It is well known that the questionnaire was born in the depths of the Japanese export and import bank, sometime in early fall. Here are some of the questions:

"What is the prospect of the conclusion of a Union treaty and interrepublican economic treaty?"

"Who is responsible for debts—the USSR and the republics together or only the USSR?"

"To which republics will food be sent?"

Some of the questions are reasonable if you consider our confused state. But some can be explained by nothing except the reluctance to do something. What does it mean, to which republics will food be set?

Understandably, if you are issuing loans it is desirable to be certain that they will be returned to you in full and on time. But if you have decided to feed a hungry neighbor on credit (a fine intention in itself) then perhaps it is not so compulsory that he submit written guarantees from all members of his family including former wives who, incidentally, are also hungry.

There was a note in the Japanese newspapers recently about how the sides are close to an agreement and the $100 million loan will finally "go through" under a guarantee from Ivan Silayev. Consequently we have found satisfactory answers to the points in the questionnaire. After the contract for $100 million is signed it will be possible to begin debates on the next share—$500 million from the above-mentioned $2.5 billion "package." I shall put aside the primitive arithmetic sum: One year was needed for $100 million, does that mean that $500 million will take five years?

Southeast Asia & Pacific

Economist Views Philippine Trade Opportunities

OW0612042591 Moscow INTERFAX in English 1214 GMT 5 Dec 91

[From the 6 December "Business Weekly"; transmitted via KYODO]

[Text] The Philippines ranks last among the ASEAN countries in terms of trade with the Soviet Union. During the 1980s, the turnover of two-way trade between them showed a marked downward trend, totalling only $950 million. Whereas $213 million worth of export and import transactions were conducted in 1980, the figure for 1990 is a meager $57 million.

Soviet economist Vladimir Andrianov takes a look at the current shape of Soviet-Philippine trading ties.

Trading ties between the Soviet Union and the Philippines are based on an agreement signed on July 2, 1976, which regulates currency, tariff and licensing matters.

A salient feature of Soviet-Philippine trade is that the two-way flows of goods have chronically been out of balance. Over the decade just ended, the deficit of the Soviet Union's balance of trade with the Philippines has run up to $568 million.

The most important reasons behind the deficit are poor knowledge of local markets, low competitiveness of Soviet industrial goods, unreasonable restrictions on certain exports and barter, and a lack of coordination among individual importers and exporters.

Soviet Imports

During the last decade, the Soviet Union has bought $759 million worth of goods from the Philippines. The range of goods imported has been similar to that purchased elsewhere in South-East Asia, consisting overwhelmingly of foodstuffs and other agricultural commodities.

Soviet imports from the Philippines have recently been limited to 30,000-42,000 tons of coconut oil a year. Earlier, however, raw sugar, copra, pelletised tapioca and some other commodities had also been imported.

It is worth noting that Soviet imports do not include manufactures, although such Philippine products as clothes, footwear, textiles, household electronics, and electronic components are fairly competitive on world markets.

Soviet Exports

During 1981-1990, Soviet exports to the Philippines totalled $191 million. Similarly to trade with other ASEAN countries, the structure of Soviet exports to the Philippines frequently changed, the reason being that deliveries to local customers were carried out on an ad hoc basis.

Over recent years, Soviet exports to the Philippines have tended to become narrower in range.

The largest item of the Soviet Union's exports is chemicals, which account for almost 95% of its total exports to this country. There is a fairly constant demand on the Philippine market for potash fertilizers, synthetic resins, pelletised urea, etc.

The archipelago's market is less receptive to Soviet machinery and equipment, whose sales are hampered by stiff competition from Western firms and low competitiveness of Soviet mechanical engineering. Only small consignments of metal-cutting machine tools, forging and pressing equipment, roller bearings and some other products have lately been sold to the Philippines.

Trade Will Suffer From a New Philippine Import Tax

As part of a programme to stabilise the country's economy and cut the balance-of-payments deficit, the Philippines introduced an additional 9% tax on all imports in early 1991.

Exemption from the tax is granted only to diplomatic missions, businesses operating in production-for-export zones, and companies that concentrate primarily on reexport activities. The tax will be levied until June 30, 1992.

This means that if this year's Soviet exports to the Philippines remain at last year's levels, the Soviet Union's foreign trade organisations will have to pay $3-4 million more in import taxes.

New Forms of Cooperation

Although an agreement on scientific and technological cooperation was signed by the Soviet Union and the Philippines as far back as 1982, neither country has so far followed up with specific measures.

Joint entrepreneurship is slow to develop. Only one company with Soviet participation has so far been registered in the Philippines. Its name is Philsov and it is engaged in arranging the carriage of export cargoes from South-East Asian ports to Europe.

1975 saw the Philippines become one more link of the trans- Siberian container network, which carried freight from South-East Asian countries to Europe, the Middle East and South-West Asia.

The Philippines is one of several ASEAN countries with which the Soviet Union has signed compensation freightage agreements. Under these, the Soviet Union uses freight revenue to purchase Philippine farm products, which goes some way towards alleviating the Soviet- Philippine trade imbalance.

Philippine businessmen have fallen behind entrepreneurs from other ASEAN countries in forging contacts with Soviet organisations and are poorly aware of the Soviet Union's export potential and import requirements.

Near East & South Asia

Velayati's Objective 'To Seize the Initiative'

NC0512210491 Moscow Radio Moscow in Persian to Iran 1430 GMT 4 Dec 91

[Commentary by Yuriy Andreyev]

[Text] Iranian Foreign Minister 'Ali Akbar Velayati's visit to the Soviet Union took place in two phases. First he held talks in Moscow to discuss matters pertaining to Soviet-Iranian relations. He then left for the Muslim-inhabited Soviet republics, visiting [word indistinct] Kazakhstan, Kyrgyzstan, Turkmenistan, Uzbekistan, Tajikstan, and Azerbaijan.

The talks in the Muslim-inhabited republics followed a similar pattern. The Iranian foreign minister signed memoranda and communiques on the basic principles and objectives of cooperation and discussed the creation of specific mechanisms for bilateral cooperation. Namely, Tehran reached agreements with representatives of Kazakhstan, Central Asia, and Azerbaijan to open consulates in these areas. A specific economic agreement was also signed with each Muslim-inhabited republic; therefore, Velayati had direct political and economic contacts with the Muslim-inhabited Soviet republics.

Velayati's stance on the former Soviet Union was extremely deliberate. Iranian officials did not make any statements or do anything that would help the disintegration of the Union or deteriorate Iranian-Moscow relations. Observers note that Tehran did not recognize any Muslim-inhabited Soviet republic, namely Azerbaijan. The Iranian Government obviously remembers the dictum that haste makes waste and is waiting to see how things develop. At the same time one can say that Tehran has prepared [words indistinct] itself to a certain extent.

Velayati's visit and his discussions with the heads of the Muslim-inhabited Soviet republics strengthened Iran's positions in the Muslim-inhabited areas of the Soviet Union. The Iranian leadership may want to change its political policy in the area soon.

Velayati had another goal in mind when he visited the Soviet Union as well. Tehran is obviously worried about Turkey's increasing activity in the region. Observers note that Iran and Turkey are engaged in a rivalry to increase their influence in the Soviet Union's Islamic republics. Velayati's other objective was to seize the initiative from Ankara.

In short, Velayati's visit to the Soviet Union was to pursue long-term objectives and was a so-called identification of [word indistinct] in the wake of possible developments.

Syrian Information Minister on Mideast Talks

LD0512182491 Moscow Central Television First Program Network in Russian 2145 GMT 4 Dec 91

[Video report by correspondent I. Rostoutsev, identified by caption; from the "Television News Service" program]

[Text] The atmosphere in the (?streets of Damascus) at the moment could no doubt be described as one of anxious expectancy. After so many years of enmity and confrontation with neighboring Israel, it is difficult for Syrians to imagine that the clock in the Middle East could be switched to peacetime. In Madrid, although they were at the same negotiating table, the members of the Syrian and Israeli delegations nevertheless pointedly looked straight past each other, as the saying goes. Now there are going to be talks in Washington. [video shows street scenes]

[Begin M. Salman recording, Syrian minister of information, in Arabic with superimposed Russian translation] Syria's position is unwavering. We will continue to abide by the well-known resolutions of the UN Security Council which enshrine the principle of land for peace. In Madrid, unfortunately, the Israelis told us nothing new, and stuck to their former hard line which gives no hope for constructive dialogue. And yet our delegation is going to Washington. We are thus paying tribute to the noble efforts of the two great powers to secure peace in the Middle East. [end recording]

Future of Arab-Israeli Peace Talks Viewed

LD0512175691 Moscow Radio Moscow World Service in English 1310 GMT 5 Dec 91

[Commentary by Aleksandr Podogin]

[Text] By way of justifying Tel Aviv's latest demarche, an Israeli Government official described it as a demonstration of his country's independent policy and nonacceptance of dictate no matter where it came from. It is most doubtful that the public in Israel will be ready to stomach this explanation. Nor will the Israeli Government stand to reap political or propaganda dividends. All of the previous recriminations [word indistinct] each other in obstructing the talks are now meaningless, but the question arising is what happens next?

It will be hard to say with any amount of certainty whether the bilateral talks get under way next Monday when the Israelis arrive in Washington. In the meantime, reports speak of conflicting statements from the Arab delegations ranging from willingness to wait as long as it takes to bring peace (?in) the Middle East down to outright rejection of being manipulated. However, reason may eventually take the upper hand over political ambitions and desire to retaliate.

No doubt the U.S. Administration will also do its best to prevent the talks from being derailed. Away from other considerations, the failure would seriously undermine Washington's international prestige. On the other hand, [words indistinct] after a show of intransigence, may offer a solution to the deadlock situation since there is no alternative to the Arab-Israeli dialogue. So next Monday [9 December] may well bring some good news.

UN Aide on Afghan Settlement, Soviet POW's

PM0512151191 Moscow IZVESTIYA in Russian 5 Dec 91 Union Edition p 4

[V. Skosyrev report: "Sometimes We Just Dream. Another Two Soviet Servicemen Captured by Mujahidin. How?"]

[Text] Although the USSR withdrew its troops from Afghanistan three years ago, the Afghan saga does not seem to have ended there for us. Benon Sevan [name as transliterated], the UN secretary general's personal representative for Afghanistan and Pakistan, claims that the mujahidin recently captured another two Soviet servicemen in the border area.

Citing a statement issued by a leader of the armed opposition, B. Sevan explained during a conversation with your correspondent that the Afghans are about to return two of our men by the end of the year. They will evidently be released with the first group of prisoners. The accord reached with a mujahidin delegation in Moscow in November makes provision for this group's release.

The fact that the people are alive and, if lucky, will be able to come home is of course a source of delight. But how did they fall into the hands of the Afghan guerrillas? We asked the Defense Ministry for an explanation. They did not deny that this had happened, but claimed that none of it had happened on our territory. Does this mean it happened on Afghan territory? We still cannot answer the question of how they came to be there.

Be that as it may, you cannot help remembering other incidents in the border area at this point. Insurgents infiltrated our territory and planted mines. There was the occasion when an Afghan Government Air Force aircraft "mixed up" a peaceful settlement on our territory with a mujahidin base and dropped bombs. People died.

In short, however we may dream of retiring from the internal conflict in Afghanistan, we are unable to do so. The citizens of the Central Asian republics will have no rest until it is settled. How does the UN secretary general's representative, who paid a brief visit to Moscow, assess the chances of establishing peace? In his opinion, the chances improved after the USSR and the United States agreed to stop arms shipments to Afghanistan in September. This step, Sevan notes, has had a powerful psychological effect in favor of a political settlement. Admittedly, other states involved in the conflict have still not subscribed to the Soviet-U.S. agreement. But we at the United Nations, my interlocutor continued, urged these states not only to give up arms shipments, but also to suspend funding.

[Skosyrev] "However much the United Nations calls for intra-Afghan dialogue in order to create a transitional government and hold free elections, things will not get moving. Fundamentalist groupings among the mujahidin will not accept the UN plan, isn't that right?"

B. Sevan answered by saying that the groupings which rejected the plan by no means represent all the mujahidin. It would be naive to expect unanimity. On the other hand the UN plan was backed by all interested states, the Afghan Government, and most opposition leaders.

As you know, the mujahidin's refusal to hold talks with Najibollah's government is a stumbling block. What is to be done? B. Sevan indicated that the United Nations can do nothing about this. No one should tell the Afghans whom to keep in the transitional government and whom to sack. Only they can decide that.

You have to agree with that approach. But, to be frank, it is hard to share my interlocutor's optimism. In my view, we should not count on a speedy peace or on all our guys coming home. The mujahidin are after all linking their release with political problems.

B. Sevan did, however, give assurances that the UN secretary general would continue to try to influence the mujahidin and the Afghan Government. No POW should be a pawn in the wrangling between the parties to the conflict. The question of POW's is humanitarian, not political. At the same time my interlocutor acknowledged that he does not know how many Soviet soldiers are still in Afghanistan and who precisely is holding them.

Sub-Saharan Africa

Results of Upcoming De Klerk Visit Previewed

PM0412144191 Moscow IZVESTIYA in Russian 30 Nov 91 Union Edition p 10

["Editorial Viewpoint" article: "We Must Have Diplomatic Relations With the Republic of South Africa"]

[Text] Frederik de Klerk, president of the Republic of South Africa [RSA], is expected to visit Moscow very soon. Following South African Foreign Minister R. Botha's recent visit to our country and the resumption of consular relations, there is now an opportunity to take the natural step: To agree to exchange diplomatic missions at embassy level.

So far the South African side has been the initiator of the rapprochement. Pretoria has officially stated that, in its opinion, there are no obstacles to an immediate exchange of ambassadors. The inertia comes from us, from the deep-rooted conception that agreement to establish diplomatic relations is a "trump card" which should be used to pressure the RSA. A dubious political argument. All the world's leading powers have diplomatic missions in Pretoria and did not break off relations with it even at the peak of the tough economic sanctions, which are now virtually lifted.

Whereas we, for the sake of "fraternal ties" with the African National Congress and its ally the South African Communist Party, have for decades branded the RSA (all the while secretly trading through intermediaries) the antipode to our democracy.

We are linked to South Africa historically and by the similarity in present-day problems. At the end of the last century and at the dawn of this century a great number of volunteers from the Russian State headed there in order to participate in the Boers' struggle for independence from the British crown. We were on the same side of the barricades against fascism during World War II. Later the official ideologies of apartheid and socialism divided us for decades. Although it is now obvious that, while outwardly antagonistic toward each other, both countries equally cultivated contempt for human rights and national inequality.

Today, having renounced the dogmas that brought so much evil, our states are beginning the difficult journey back into the international community. To do this, the civilized code of mutual relations in the international arena must be accepted. From this viewpoint the establishment of Soviet-South African diplomatic relations can be seen not as something sensational and outstanding or a "gift" from one to the other, but as something natural and absolutely normal.

And to accept as equally natural and normal the forging—not shelving—of wide-ranging economic, scientific, technical, and cultural cooperation and of tourist, sporting, and other ties. In order to remove the barriers it is necessary to establish most-favored nation status in trade, stimulate investments, and conclude agreements on the reciprocal recognition of degrees. The list could go on.

F. de Klerk's upcoming visit has been filled with a large number of official meetings. It is important that they are not limited to just smiles and wishes but that they bring specific, substantial results, toward mutual benefit and advantage.

East Europe

Hungarian Prime Minister Begins Moscow Visit

Invited By Gorbachev

LD0512215391 Moscow Radio Moscow World Service in English 2000 GMT 5 Dec 91

[Text] The Hungarian prime minister, Jozsef Antall, has arrived in Moscow on a visit. He was invited by President Gorbachev. In Moscow a bilateral treaty of cooperation and good-neighbourliness will be signed. From Moscow, Jozsef Antall will fly to Kiev. Hungary was one of the first countries to have recognized the independence of the Ukraine.

Received By Petrovskiy, Others

LD0512224991 Budapest MTI in English 2102 GMT 5 Dec 91

[Text] Moscow, December 5 (MTI)—Hungarian Prime Minister Jozsef Antall, accompanied by Foreign Minister Geza Jeszenszky, and international Economic Relations Ministry State Secretary Janos Martonyi, arrived for an official visit here tonight.

Antall and his entourage were received at Vnukovo Airport by Soviet Deputy Foreign Minister Vladimir Petrovskiy, Russian Deputy Prime Minister Gennadiy Borbulis, and Russian Foreign Minister Andrey Kozyrev.

Peoples living on the present territory of the Soviet Union will remain our neighbours, irrespective of their choice of state structure and political system, Antall said in an interview given to the Soviet news agency TASS before the visit.

From the moment of taking office, the Hungarian Government strived to conclude an inter-state agreement with the Soviet leadership which would not have to be revised constantly in the wake of changes, Antall said, adding that Hungary wants to sign similar treaties with Russia and the Ukraine.

Talks With Gorbachev

LD0612095191 Moscow TASS International Service in Russian 0808 GMT 6 Dec 91

[By TASS diplomatic correspondent Sergey Ryabikin]

[Text] Moscow, 6 Dec (TASS)—A meeting has begun in the Kremlin between USSR President Mikhail Gorbachev and Hungarian Prime Minister Jozsef Antall, who arrived in Moscow late yesterday evening.

After the talks, the sides will sign a treaty on the foundations of good-neighborliness and cooperation between the USSR and Hungary.

The new treaty is intended to open the way to the renewal of the entire legal basis between the two countries. As a result of the fundamental changes which have occurred in the two states, the urgent need has arisen to amend the legal basis between the states to match those changes. Diplomatic circles believe that the present visit will also open up a dialogue on topical economic, financial, and other problems between the USSR and Hungary.

Signs Bilateral Basic Agreement

LD0612104591 Budapest Kossuth Radio Network in Hungarian 1000 GMT 6 Dec 91

[Text] As of today, Hungary and the Soviet Union have a new bilateral basic agreement. Zoltan Tamasi reports from Moscow on the signing of the agreement regulating intergovernmental relations.

[Tamasi] In 1956, the Soviet Union interfered in Hungarian internal affairs in an inadmissible way, Soviet Head of State Mikhail Gorbachev said following the signing with Jozsef Antall of the Hungarian-Soviet basic agreement on cooperation and goodneighborly relations. With this, the Soviet Union officially has disassociated itself from its steps at that time. Jozsef Antall stressed that regardless of how the fate of the Soviet Union develops, however its name and status change, the basic principles and ideology included in the agreement will continue to prevail.

The two negotiating delegations had a much longer session than planned, lasting almost an hour and half, and following the ratification, it was not incidental that Jozsef Antall said that if the shackles are taken off our wrist, we offer a friendly hand. Gorbachev told press representatives that he trusts that the alliance will survive in the future, too.

Similar to the Soviet-Hungarian talks, the Russian-Hungarian summit also promises to be lengthy. Boris Yeltsin, president of the Republic, will meet the Hungarian head of government in the same hall as Gorbachev. We are to sign a basic agreement with Russia, and, what is more, we shall initiate diplomatic relations with the Federation.

Deputy Foreign Minister Meets CSFR Envoy

LD0612071591 Moscow TASS International Service in Russian 1506 GMT 5 Dec 91

[Text] Moscow, 5 Dec (TASS)—Valeriy Nikolayenko, USSR deputy minister for external relations, received Rudolf Slanskiy, CSFR Ambassador in the USSR, today at the latter's request. Topical issues of Soviet-Czechoslovak cooperation as applied to the features of the current political situation were discussed. An exchange of views on a number of international problems also took place.

Polish Envoy Explains Shevardnadze Conversation

LD0512131291 Warsaw Radio Warszawa Network in Polish 1134 GMT 5 Dec 91

[Text] Ladies and gentlemen, yesterday [4 December] the agencies and today some of the papers reported that the Polish ambassador in Moscow was summoned by Soviet Foreign Minister Eduard Shevardnadze in view of Poland's recognition of Ukrainian sovereignty. A moment ago, we linked up by telephone with our embassy in Moscow. Ambassador Stanislaw Ciosek told us:

[Begin recording] [Ciosek] Dear God. I have explained several times, first on television and yesterday to PAP, that it is some terrible mistake. I was not summoned by Minister Shevardnadze. It was simply a case of disinformation, which exists, being disseminated somewhere. I visited Minister Shevardnadze 10 days ago regarding competely different issues, regarding the Polish-Soviet treaty, the planned visit by President Walesa here in Moscow, and Polish-Soviet-Russian cooperation, but I did not speak about this subject. Some sort of disinformation has got out.

[Unidentified reporter] This means, from what you say, sir, that there is no tension in connection with Poland recognizing the Ukraine.

[Ciosek] No, of course not, all the more so following yesterday's telephone call from President Walesa to President Gorbachev. Immediately after our government recognized the Ukraine, I received an explanation of this decision, which I conveyed to both the Soviet and Russian Foreign Ministries and, above all, to the authorities [as heard]. This was received as something natural, apart from which, you see, sir, the situation is a bit different. With such huge internal problems in the Soviet Union, the reaction of other states to what is happening is treated somewhat differently to what was the case once upon a time, apart from which, everyone here was expecting Ukrainian independence, all the more so as we stated clearly that, by our decision to recognize the Ukraine, we were not interfering in the internal affairs of this area east of the Bug, concerning how they should sort out their mutual relations. I think that this is obvious and there is no tension.

[Unidentified reporter] Mr. Ambassador, how do you assess the possibilities for a political union being created among the former Soviet republics?

[Ciosek] From what I know, the presidents of the main republics are meeting on Monday, and some initial solution will be arrived at there, but I would not eliminate chances of this yet, particularly as the economy, centrally planned for years, has created such deep cooperation links that its division in a short period would be very difficult; and some political agreement must also follow in the footsteps of the economy. [end recording]

West Europe

Petrovskiy Receives Italian Ambassador Salleo

LD0612051591 Moscow TASS International Service in Russian 1502 GMT 5 Dec 91

[Text] Moscow, 5 Dec (TASS)—Vladimir Petrovskiy, USSR first deputy minister of external relations, today received Ferdinando Salleo, Italian ambassador to the USSR. During their conversation, questions of bilateral Soviet-Italian cooperation, as well as the state of international relations, were discussed.

Editors Discuss Future Political Structure

LD3011120191 Moscow TASS in English 1739 GMT 29 Nov 91

[By TASS correspondent Yuriy Sidorov]

[Text] London November 29 TASS—The collapse of any government is always fraught with unpredictability and political instability, especially when the country is as large as the Soviet Union, Paul Beaver, publisher and editor-in-chief of the prestigious military weekly, JANES DEFENSE WEEKLY, told TASS.

Addressing the issue of Soviet nuclear arms, Beaver and Henry Dodds, editor of JANES INTELLIGENCE REVIEW, another journal put out by the publishing group, Janes, emphasized the disturbing fact that the Soviet nuclear arsenal is now suddenly in the hands of several republics.

When the Soviet Union began moving away from the cold war mentality and began re-examining its foreign policy toward the United States and Western Europe, experts believe, governments which once depended on and feared the Soviet Union stopped fearing its power and realized that they could command their own nuclear arsenal. The same situation could arise, Beaver and Dodd believe, with the former Soviet republics, especially those in Central Asia, which could pose a threat to global security.

Whether Western countries should intervene in the internal affairs of the union's sovereign republics is a very complex issue. If one of the sovereign republics—be it Russia, the Ukraine, or Belorussia—asks the West for aid, "the West has a duty to such aid. Helping the former republics is, of course, also in the best interest of the West and will be necessary not only in the military sphere but also to help ease the transition of the former socialist republics to a market economy. [no end quotation marks received]

It is in Western Europe's best interest, Beaver emphasized, to ensure European cooperation and acceptance of the idea of Russia, the Ukraine, Belorussia, and Moldavia becoming part of Europe. We have much more in common with these republics than with other continents, let's say North Africa or South America. Therefore we should have closer relations with one another. But in the final analysis, it is not for the West to dictate to the Soviet Union, the independent republics or Presidents Gorbachev or Yeltsin what to do.

Supreme Soviet

Soviet of Union Debates Draft Union Treaty

Resolution on Signing Passed

OW0412185291 Moscow INTERFAX in English 1745 GMT 4 Dec 91

[Transmitted via KYODO]

[Text] The Union Chamber of the USSR Supreme Soviet has passed a resolution recommending the republics to sign the Union Treaty. It has also adopted some amendments to the draft Treaty. The chairman of the Legislative Committee Yuriy Kalmykov particularly stressed in his talk with journalists the inclusion in the agreement between the republics the procedure of forming joint armed forces and limits on the use of the republics' armed units inside the country, also excluding the USSR Prosecutor's Office from the structure of the USSR Supreme Court and vesting control as well as legislative functions in the USSR Supreme Soviet. It has been suggested that the Union Treaty should be signed by the USSR President alongside the republics' delegations.

At the morning session of the Union Chamber most speakers admitted that chances for signing the Treaty are scarce. A constructive idea was put forward by Deputy Boiko to sign a provisional agreement for two or three years instead of the Union Treaty.

Lubenchenko Addresses Chamber

LD0412171391 Moscow All-Union Radio Mayak Network in Russian 1410 GMT 4 Dec 91

[Text] The draft Union treaty was approved today in the Soviet of the Union of the USSR Supreme Soviet. The debate was a complex and serious one. Here is the position of Konstantin Dmitriyevich Lubenchenko, the chamber's chairman. We offer you an extract from his speech:

[Begin Lubenchenko recording] Today, taking political realities into consideration, our Union is at least the guarantee of a number of extremely important questions. The first question is the guarantee against a civil war. And we must realize that what is happening in Yugoslavia will recur tenfold in our country, and we must realize that the distressing and extremely grave situation which is being experienced by the army and the military-industrial complex, which is being experienced by certain ethnic groups situated on the territories of other new states as groups that do not constitute indigenous population—this is the powder which could be ignited at any moment.

The second question is the question of the spread of nuclear weapons, which at the present moment is also virtually a political reality. This has been a serious, albeit foreseeable, but still a serious surprise to the Western countries.

The next thing is the guarantee of a joint way out of the food crisis, not to mention the fact that only one monetary unit and only one unified currency and finance system exists in our state. Two means of building the union exist. One means is the signing of the Union treaty. Once signed, it becomes the guarantor of equality of rights and justice between each new state which joins this union.

The second means consists of implementing this union by means of economic, military, and psychological blackmail, by the coming of events which would, as it were, compel all the republics to join together in one surge. This means can only build up extreme mistrust and suspicion on the part of the republics and the new states toward one another, and, therefore, we are left only with the Union treaty. There is no alternative to the Union treaty.

If one speaks in general and in principal on the present political situation, then the key to solving all the problems lies in Russia. I would say that all the responsibility in this situation falls precisely on the Russian administration, because this is the real power, the power of money, which is provided by central emissions and which is controlled only by the Russian Federation. Therefore, the responsibility for concluding the Union treaty and the movement toward this Union treaty lies, first and foremost, in the hands of the Russian parliament. [end recording]

Further on Proceedings

PM0612102191 Moscow IZVESTIYA in Russian 5 Dec 91 Union Edition p 2

[S. Chugayev article: "Union Parliament Has Approved Treaty on the Union of Sovereign States"]

[Text] This event by itself has every right to be described as, if not historic, then at any rate significant. More than six months have passed since Mikhail Gorbachev unexpectedly assembled the leaders of the republics in Novo-Ogarevo and proposed to them the idea of concluding a new Union treaty. And now, after all the well-known dramatic transformations, the document was finally able to leave Novo-Ogarevo and the presidential offices and reach parliament. It had, in short, cleared that hurdle the first attempted approach to which had been foiled by the August putsch.

However, no atmosphere of festivity, victory, or even elation was noticeable in the Union parliament during discussion of the draft Treaty on the Union of Sovereign States [USS]. The statement by the newly elected president of the Ukraine, Leonid Kravchuk, that his republic has no intention whatsoever of taking part in the renewed Union clearly made a strong impression on deputies. Nevertheless their resolve to implement their plan was evident. After brief debate the Soviet of the Republics and then the Soviet of the Union adopted the USSR Supreme Soviet resolution in which the draft treaty is approved and its signature by the heads of the sovereign states recognized as essential.

The Union parliament also expressed certain recommendations of its own in this resolution. At the bottom of them is clearly to be seen the Supreme Soviet's desire to play the role of an effective supreme legislative authority in the future Union, even at the expense of a certain restriction of the powers of the State Council. It is also recommended that it be deemed expedient not to prescribe in the treaty the direct election of the USS president by citizens of the Union.

Moreover, the Soviet of the Republics also adopted a separate appeal to republic parliaments enjoining them to examine the draft treaty in the very near future and formulate their own position in order to open up the way to its signing.

Thus the USSR Supreme Soviet hearings on the draft treaty on the Union of Sovereign States are over, hearings which one has every reason for describing as the first reading, because, as it turns out, the document will, after its passage through the republic parliaments, go back to the Kremlin again. And it is there that the final debates will take place. The idea in general is not devoid of logic, although it came as a surprise. This was the first announcement that the draft treaty would be discussed in this way. It could in this case reflect the desire of the Union parliament and, in particular, its upper chamber, to play a more marked political role. The statement adopted by the USSR Supreme Soviet Soviet of the Republics on 3 December announcing the principles governing the chamber's activity in the transitional period also leads one to think this.

In general the increasing activity of the Soviet of the Republics is already becoming noticeable, which, alas, cannot be said to date of the Soviet of the Union. The "voting with their feet" displayed by members of the lower chamber at the end of last week during discussion of the emergency Union budget has not added to their popularity either. This saga, which almost led to conflict between the chambers, was brought to an end on 3 December. Although, as is well known, the problem with the budget was resolved after the meeting between Gorbachev and Yelstin, the Union parliament resolved to observe all the proprieties. And the Soviet of the Union did adopt the resolution on USSR Gosbank [State Bank] credits, which made it possible for a now quite legal USSR Supreme Soviet resolution to come into being. The Soviet of the Union did, admittedly, submit an amendment—the proposal that the USSR State Council and Interstate Economic Committee examine the RSFSR Supreme Soviet proposal on relations with the Union budget by the end of 1991. No one in the Soviet of the Republics was able to explain what exactly the Russian parliament actually intends proposing. However, for the sake of peace between the chambers the proposal was accepted without going into details.

Gdlyan's Role Viewed

PM0612111591 Moscow PRAVDA in Russian 5 Dec 91 p 1

[S. Oganyan report: "Gdlyan on Top Form. At Union Parliament Session"]

[Text] Yesterday just one chamber—the Soviet of the Union—was in session. The main question on the agenda was the draft Union treaty.

First there was another attempt—wittingly foredoomed—to ascertain who was to blame for the disintegration of "our splendid Union." In the opinion of one parliamentarian, it was all a matter of machinations by Yeltsin and Kravchuk, who entered into a criminal conspiracy and brought the country to deadlock. Someone else suggested holding another referendum to find out whether the people (which people?—the Soviet people?) agree to confirm the results of the previous March referendum.

T. Gdlyan went further than anyone. Speaking about legal anarchy, disrespect for the laws and the Constitution, and the devastated state, he, naturally, blamed all this on Gorbachev.

I must say that Gdlyan and his comrade in misfortune, N. Ivanov, felt cheery that day. I'll say. A draft resolution "On Changes to the USSR Supreme Soviet Resolution of 18 April 1990 (On the Conclusions of the Commission Checking Material Linked With the Activity of the USSR Prosecutor's Office Investigation Group Headed by T.Kh. Gdlyan" has been submitted for the chamber's examination. That is, it is a question of rehabilitating the two well-known investigators working for the prosecutor's office. Evidently, that was why Gdlyan was on good form.

At any rate his statement roused deputies and provoked a certain mood of self-criticism. We deputies who have spent more than two and a half years working here also bear some of the blame for the current state of affairs, V. Shekhovtsov said. Carried away by the destruction of totalitarianism, he said, we spent all our time moving only to the left and as a result ended up in the ditch. Another deputy called for a provisional agreement to be signed between the republics, taking into consideration the exceptional nature of the situation.

The upshot was that following the statement by Yu. Kalmykov, chairman of the Soviet of the Union Legislation Committee, who submitted a generalized draft resolution on the Union treaty taking into consideration all proposals and remarks, this treaty is to be adopted. This draft resolution says that the draft Treaty on the Union of Sovereign States formulated by the drafting commission has been approved and it has been deemed necessary for the treaty to be signed by the plenipotentiary representatives of the sovereign states which are forming a Union based on new principles.

Political & Social

Gorbachev, Yeltsin Interviewed After Meeting

Union, Economic Issues Discussed

LD0512222491 Moscow Central Television First Program Network in Russian 1933 GMT 5 Dec 91

[Interviews with USSR President Mikhail Gorbachev and RSFSR President Boris Yeltsin by unidentified correspondents in Moscow on 5 December: "Interviews with M.S. Gorbachev and B.N. Yeltsin"—recorded]

[Text] [Gorbachev] I was due to have an urgent meeting with the leadership of Moscow today. I received a letter from Popov, the mayor of Moscow, yesterday. From the information we are receiving, we can see that Moscow is in a difficult position regarding food; a simply critical situation. I think that the people and the leadership of Moscow need support and help now, from both Union structures and the republic. Therefore, I received Comrade Luzhkov, the leader of Moscow's government, today. As a preliminary, I asked them to consider their proposal and to decide, after evaluating the whole situation, what urgent measures should be taken in order somehow to alleviate the food situation in the capital. In general, we agreed that the republic, meaning our Russian Republic, should do some work here and concern itself with working with the regions, to get the regions to help the capital and, broadly speaking, to get them to fulfil what they are supposed to deliver and to do something for the people of Moscow, for all the difficulties.

There are also problems connected with the disruption of supplies from other republics. This applies to the Baltics—not all of them, but particularly Lithuania—and it applies to other republics. Orders have been met in some cases, but not in the case of meat, milk, and butter. It might not be possible to do everything, since there is a slump in agricultural production. All the same, the capital needs urgent help, attention and, simply, fraternal support from all republics.

Third, we will have to use imports, in order to cover Moscow and somehow to correct the situation from this quarter, too. In general, these are all urgent measures.

They are supposed to complete their proposal on this matter by this evening, and since it embraces both Union and republican problems, Boris Nikolayevich has been here now, and we have agreed to sign this document together. We must probably also give the people of Moscow rights of some sort to use part of the output produced by Moscow for barter deals, so that they can show some initiative. In general, we must help the people of Moscow.

[Correspondent] Mikhail Sergeyevich, you have spoken to Boris Nikolayevich Yeltsin today. How do you assess the situation regarding the Union and the political treaty of union?

[Gorbachev] Boris Nikolayevich and I talked about where we stand, from the point of view of preparation for the start of reforms and those measures. We evaluated the work done by the Russian government to prepare for these real steps in the field of economic reforms. We also discussed the results of the three days of work by the heads of government of the republics. Considerable progress was made there.

Today, in fact, prices are being discussed there sharply and substantively, and, specifically, for what goods—both food and manufactured goods—fixed prices must be retained. Maybe they, too, will be increased, but the prices will be fixed. We also exchanged views so that somehow, during the first quarter, the economic links that exist... [changes thought] They are now being disrupted because everyone is waiting for when the switch to free prices will be announced, and then everyone will start to declare his prices and conduct trade on the basis of these new prices, and economic links will be formed. But, you know, time will probably be needed for all this, and perhaps the truest thought is that economic links must not be severed, they must be concluded on the basis that exists, and, during the transition to the new prices, adjustments will be made. I think that is a rational approach, and I would express that advice.

Boris Nikolayevich and I agreed to attend tomorrow's ceremony marking the 50th anniversary of the defeat of the fascist troops near Moscow. It is, nevertheless, a special date in the history of our homeland. Tribute must be paid to the generations that won that victory and enabled us to do everything that we are doing today, as we aspire to a better life and reform our society.

Finally, we talked in connection with Boris Nikolayevich's forthcoming trip, in accordance with a previously established arrangement, to sign a treaty with the Belorussians; they agreed to invite Comrade Kravchuk there, so that he should go to Minsk and talk—talk about the treaty. I have said a lot about this. My position remains the same—unchanged.

I will use every opportunity I have—and in this I hope to have your support—to notify every section of our society that we must move as fast as possible to sign, to conclude the new treaty. The question of statehood is a fundamental question. Everything else in the hierarchy of priorities is subordinate to it. If we settle this, form the new authorities, distribute powers and responsibility, the mechanism will work.

Without this mechanism reforms will not work. They say there is an alternative to the Union. I do not think so. These are not serious suppositions, and you must not succumb to pressures from various trends—people who are generally not that concerned about our history or our present. They have their own plans. But that does not mean that these plans express the sentiments of the population of that country or of our peoples. You know, everyone has the feeling that currently the people are extremely concerned about the Union, because everyone understands that whenever one begins to try and sort out problems—if a production line breaks down, or some sort of supplies fail to be delivered to this or that region—one comes up against the stumbling block of vagueness and the fact that the issues of how and in which state we will live, what relations should be formed and what sort of responsibility is involved have not been resolved. The main thing is that people begin to think whether or not, as a result of the ideas of these loud and very pushy politicians being put into practice, they may find themselves in an alien state, separated from their roots and with broken ties. People are concerned about this most of all, because after all, they understand what a difficult situation the economy is in. But we will extricate ourselves, we will come out of it. There will be hard times yet. But we will get out of it. Boris Nikolayevich and I talked about it frankly. I hope that this conversation was useful.

I am confident that in the Ukraine they think the same as we do, and about the Union, they are thinking about how we will live, and I do not think that the separatists and isolationists of every kind will succeed in imposing a different concept. I think people understand what is at issue.

[Correspondent] Mikhail Sergeyevich, should one take this as meaning that there can be no Union without Ukraine?

[Gorbachev] I cannot imagine the Union without the Ukraine. Because, as it seems to me in the depth of my heart, in my mind and in my heart, the overwhelming majority of the people of the Ukraine also think of the Union, and desire to live and cooperate, while already having great rights and possibilities, and possessing all their sovereign resources and material, intellectual, and industrial potential. Yes, I am confident that my thoughts, my plans, my actions and my position are adequate, and correspond to the mood and common sense of the people. They have a gut feeling that the Union is necessary. If we disperse, we will be creating disaster. Therefore, I am sure that my role is now one of special responsibility—as never before. As never before.

[Yeltsin] It was not an easy conversation. Not easy. The issue was basically the Union treaty. The point is, as I have stated on more than one occasion, both at the State Council and in the media, that if Ukraine really will not be in the Union, I cannot imagine such a Union. So there must be some guarantee from Ukraine, of whether Ukraine wants to sign the treaty. So, if Ukraine accedes to the Union and concludes a treaty, Russia will then do the same, and I think that its Supreme Soviet will support that. Without the Ukraine, we would have masses of problems. We want to live in friendship with the Ukraine. For hundreds and hundreds of years we have lived together, and have to a large extent a common history, and so we want to cooperate economically and militarily and politically and in other areas—culture. But if there is to be a separate union, and they will be a separate state, then of course there will be a number of problems, such as we have with the Baltic region—they will be difficult to resolve, and with them it will be still harder for us, then. We will of course strive, with bilateral links, let us say economic—but there will not then be a political union of this kind.

[Correspondent] Boris Nikolayevich, despite this complicated situation, do you see a possibility of reaching agreement with the Ukrainian leadership through dialogue, and achieving a treaty, a Union treaty?

[Yeltsin] On 7 December I fly to Belorussia. We agreed on this long ago. There we are to exchange ratification documents and sign a bilateral economic agreement for 1992. We have agreed that the Belorussian leadership and ourselves should indeed find out the Ukraine's position. Therefore, the Ukrainian leadership will also fly to Minsk. We will then discuss this subject in some way with the Ukraine and ask them questions.

[Correspondent] Are you still hopeful that you will succeed in this?

[Yeltsin] Judging by the telephone conversation I mentioned—the one with Kravchuk, I mean—there is little hope, generally speaking.

[Correspondent] Boris Nikolayevich, there is an unconfirmed report that there may be a meeting of four presidents in Moscow on 9 December. Can we say that a series of consultations, arising out of the new situation resulting from the Ukraine's decision, began today?

[Yeltsin] Yes, I think so. Because we will be in Belorussia on 7 and 8 December, we will hold that meeting on 9 December. Yes, we have indeed agreed that there will be a meeting here between Presidents Gorbachev, Nazarbayev, Kravchuk, myself, and Shushkevich.

Those five—four, plus one. [laughter] Well, these consultations do not really concern the other republics; these consultations are really about the position of the Ukraine and what stage that independence has now reached. After all, each has its own sovereignty and also some level of independence: What level of independence does Ukraine envisage for itself? Full separation, or having a common economic space? Or having an Economic Treaty, but not a political treaty and not having a political union? Or some other possible options? So, this has to be discussed very seriously so as not simply to jettison this process we have come to by such a long and hard path.

[Correspondent] In other words, if there is no Union treaty, you intend to examine some other options?

[Yeltsin] Well, I do not think I would put it quite like that. After all, we must first talk about a Union treaty. If there is any chance, then we have got to.... [changes thought] All eight can then sign it. That is the Union treaty. But if Ukraine is going to insist on full state independence—in other words, if it does not sign the political treaty—then we will have to look for other options. But what I say is that we have such a close bond with Ukraine that I cannot imagine that we will be in some sort of different political systems, as it were: We in one Union, and the Ukraine... I can't imagine that.

[Correspondent] You said, Boris Nikolayevich, that there is little hope, judging by the first telephone conversation?

[Yeltsin] Well, in the first place that was a telephone conversation, and second, you know, after an election there's always a bit of a mood... So a personal, frank, and I'd say comradely talk will clarify everything. But of course, I do not want to arouse too many hopes.

[Correspondent] Has Russia worked at any time, in principle, on an option for the event that Ukraine does indeed dig its toes in? Is there some option in existence?

[Yeltsin] No. On the contrary. You can recall how, at about the time the Novo-Ogarevo process was beginning, we wanted to assemble in Minsk with a group comprising Kazakhstan, Kyrgyzstan, Tajikistan, and Azerbaijan, and to go there and possibly sign something. But then we gave up that formula. So far we have not discussed any other formula. Thank you.

[Correspondent] Thank you very much.

Further Comments

LD0512204891 Moscow Central Television First Program Network in Russian 1900 GMT 5 Dec 91

[Text] Good evening. Today's most important report in terms of its political significance is on today's meeting between the presidents of the USSR and Russia—Gorbachev and Yeltsin. This difficult conversation between the two political leaders lasted for over an hour.

The conversation between the two presidents touched on problems connected with preparations for reforms in the economy, and an assessment was made of the Russian Government's work and of the results of the three-day meeting between the republican prime ministers. Needless to say, the situation regarding the Union treaty was also discussed. At the end, both presidents answered journalists' questions.

[Begin Gorbachev recording] I shall use—and I rely on your help—all my possibilities to bring to the notice of all strata in our society that we must proceed more rapidly to the signing and concluding of a new treaty. The question of statehood is a fundamental question. Everything else is hierarchically subordinate to it. If we solve that, form new authorities, and distribute powers and responsibility, the mechanism will work. The reforms will not start without that mechanism. It is said that there may, perhaps, be something that is an alternative to a union. I do not think so. That is not a serious argument. And there is no need to submit to pressures from the various currents that, in general, are not very much concerned with our history, and are not very worried about the present day. They have their own plans, but that does not mean that they are plans that express the mood of the population of this huge country, of our peoples. [end recording]

[Begin Yeltsin recording] It was not an easy conversation. Not easy. The issue was basically the Union treaty. The point is, as I have stated on more than one occasion, both at the State Council and in the media, that, if Ukraine really will not be in the Union, I cannot imagine such a Union. So there must be some guarantee by the Ukraine, whether the Ukraine wants to sign the treaty. So, if the Ukraine accedes to the Union and concludes a treaty, Russia will then do the same, and I think that its Supreme Soviet will support that. Without the Ukraine, then a mass of problems arises for us.

[Unidentified correspondent] Even so, to proceed toward a treaty, a Union treaty.... [end recording]

The interview with the presidents of the USSR and the Russian Federation will be shown in full today after our newscast.

Yakovlev on Meeting

OW0512220391 Moscow INTERFAX in English 2000 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] Member of the USSR president's Political Consultative Council Aleksandr Yakovlev has characterized as "necessary in the present situation" Thursday's [5 December] meeting between Mikhail Gorbachev and Boris Yeltsin. He told an INTERFAX correspondent that the worst danger for the future of all peoples populating the former Soviet Union lies in "ambitions and emotions which shouldn't be permitted to overrule common sense".

In a talk with journalists after meeting with Boris Yeltsin Mikhail Gorbachev mentioned the article in the influential daily IZVESTIA of Dec 4 entitled "President in the World of Illusions". The article, which Gorbachev said he had briefly looked through, questions his ability to achieve a new Union treaty.

"I'd like to meet the author to dispel his illusion concerning my potential on this issue", he remarked.

Gorbachev Establishes Humanitarian Aid Council

LD0512211391 Moscow Central Television First Program Network in Russian 1900 GMT 5 Dec 91

[From the "TV Inform" newscast]

[Text] Mikhail Gorbachev, the USSR president, has issued a decree on the setting up of a Council on Humanitarian Aid under the USSR president.

The well-known scientist Svyatoslav Fedorov has been approved as the council's chairman.

Gorbachev, Other Leaders Attend Ceremony

Honor 'Fallen Heroes'

LD0612121291 Moscow TASS International Service in Russian 1135 GMT 6 Dec 91

[By TASS correspondent Roman Zadunayskiy]

[Text] Moscow, 6 Dec (TASS)—It was precisely at this time 50 years ago that the fate of the capital, and possibly the whole Great Patriotic War, was decided. Many Soviet servicemen lay in the "snow-white fields outside Moscow".

USSR President Mikhail Gorbachev came to the Aleksandrovskiy Gardens today to pay tribute to their bright memory and to lay a wreath at the Grave of the Unknown Soldier by the Kremlin Wall.

Flowers were also laid at the Grave of the Unknown Soldier by Ivan Silayev, Konstantin Lubenchenko, Aleksandr Yakovlev, Eduard Shevardnadze, Yevgeniy Shaposhnikov, Vadim Bakatin and other state leaders and public figures.

Those present observed a minute's silence in memory of the heroic defenders of the capital.

A triumphal parade by military units in honor of the fallen heroes took place.

Awards Presented

LD0612025891 Moscow Central Television First Program Network in Russian 1900 GMT 5 Dec 91

[From the "TV Inform" newscast]

[Text] Veterans of the Battle of Moscow gathered today at the central House of the Soviet Army to mark its 50th anniversary. President Gorbachev came along as the guest of Moscow's defenders. The meeting was opened with a brief introductory speech by Shaposhnikov, the country's defence minister.

Afterwards Mikhail Sergeyevich Gorbachev presented awards. Six people were awarded the title of Hero of Socialist Labor. They were Ivan Terentyevich Kleymenov, Boris Sergeyevich Petropavlovskiy, Boris Mikhaylovich Slonimer, Georgiy Erikovich Langeman and Nikolay Ivanovich Tikhomirov. They were involved in the creation of the renowned Katyushas. Unfortunately none of them were able now to receive these awards in person. Three gold stars were awarded to their relatives. In addition a large group of veteran defenders of our capital received orders and medals. [Video shows Gorbachev presenting awards]

[Begin Gorbachev recording] Thank you, dear veterans, and thank you to those generations who took on and withstood the sternest test that we have known to date in our history. I congratulate you on this anniversary. Let us remember, stand and honor the memory of those who fell near Moscow for the sake of our country. [end recording]

As is usually the case with those formerly involved in frontline fighting, there were many stirring words and moving scenes. Frontline songs were also to be heard here in the Red Banner Hall.

Estonian Leaders in Moscow for 'Amicable' Talks

Shevardnadze Meets Ruutel

LD0412205391 Moscow TASS International Service in Russian 1852 GMT 4 Dec 91

[By TASS diplomatic correspondent Aleksandras Budris]

[Text] Moscow, 4 Dec (TASS)—USSR Minister of External Relations Eduard Shevardnadze met chairman of the Estonian Supreme Soviet Arnold Ruutel in Moscow today. As a TASS correspondent was informed in the ministry, the conversation, which lasted more than an hour, was held in an amicable atmosphere. The participants "were proceeding from the necessity to preserve everything positive accumulated by the two peoples." It is worth recalling that Estonia was the first of the three Baltic states to start negotiations with Soviet Union. The first round took place on 10 November, and the next is scheduled for the first half of December.

At the end of his meeting with Eduard Shevardnadze, the head of the Estonian parliament informed the TASS correspondent that the meeting discussed problems which in the past "led to a deadlock," in particular, "questions of the gradual closure of the Soviet bases in Estonia, of mutual borders, and of the social problems facing the Russian-speaking population of the republic." The question of replacing St. Petersburg Mayor Anatoliy Sobchak in the post of the leader of the Soviet delegation in the negotiations with Estonia was also touched upon. According to Ruutel, "the complicated situation in St. Petersburg" does not permit Sobchak to give his full attention to negotiations.

The head of the Estonian parliament reported that similar questions were discussed this morning at his meeting with Aleksandr Yakovlev, a member of the Political Consultative Council attached to the USSR president. Tomorrow Arnold Ruutel will leave Moscow for Paris, where the signing of the act on Estonia joining the Paris Charter on cooperation and security in Europe will take place.

Silayev Meets Savisaar

OW0512142191 Moscow BALTFAX in English 1115 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] The Estonian Prime Minister Edgar Savisaar has met in Moscow with the Soviet acting head of the cabinet Ivan Silayev.

The Estonian Minister of Material Resources Aleksander Sikkal who attended the meeting told BF [BALTFAX] that it discussed mutual supplies between Estonia and the USSR.

According to Sikkal, "the USSR does not stand by its commitments in supplies of grain, gasoline and some other goods, while Estonia has carried out its contracts almost in full. [no end quotation marks received]

After the Estonian side raised these questions, Sikkal said, Ivan Silayev gave instructions to the working bodies of his cabinet to consider the issues in the near future and submit their conclusions.

It was stressed at the meeting, though, that now almost all economic issues are in the jurisdiction of the republics, therefore the Soviet cabinet will be able to settle only some of the concrete questions such as grain supplies. For the same reason Estonian representatives were told that the Interrepublican Committee will not sign any agreement with the republics for 1992. Estonia will have to deal with each republic of the Union separately.

According to Sikkal, the foreign debt of the USSR was also discussed. The Russian side promised to inform Estonia of its share in the near future. Estonian representatives, as Sikkal put it, "promised to take a look at the figures".

After the meeting with Silayev Edgar Savisaar together with the Estonian charge d'affairs in the USSR Juri Kahn departed for a meeting with the Soviet Foreign Minister Eduard Shevardnadze.

Shevardnadze Meets Savisaar

LD0512135691 Moscow TASS International Service in Russian 1237 GMT 5 Dec 91

[By TASS diplomatic correspondent Aleksandras Budris]

[Text] Moscow, 5 Dec (TASS)—Eduard Shevardnadze, USSR minister of external relations, has called the prospects for development of interstate relations with Estonia good. He had a meeting in Moscow today with Estonian Prime Minister Edgar Savisaar.

In a brief conversation with the TASS correspondent at the end of the meeting, the head of the Soviet foreign policy department stressed that the USSR and Estonia are faced with "very intense talks on virtually all issues". At the same time he noted, at today's meeting, just as during his meeting yesterday with Arnold Ruutel, chairman of the Estonian Supreme Soviet, the sides "had no differences". At these meetings, in E. Shevardnadze's words, "the foundations were laid for great friendship". When discussing diverse issues, in particular the problem of safeguarding human rights, the sides "were guided by civilized standards prevailing throughout Europe and reached mutual understanding".

In the words of Edgar Savisaar, those taking part in the meeting agreed that the process of bilateral talks must be intensified. The sides also discussed the current state of bilateral economic and political relations, and the implementation of existing agreements in these areas. In Savisaar's words, Estonia is basically meeting its obligations under economic treaties and he expressed the hope that the Soviet Union will follow its example.

Belonogov Interviewed on Upcoming Peace Talks

OW0612082791 Moscow INTERFAX in English 0600 GMT 6 Dec 91

[From the "Diplomatic Panorama" feature; transmitted via KYODO]

[Text] Today (December 5) USSR Deputy Foreign Minister Aleksandr Belonogov has left for Washington. He will be present at the bilateral Arab-Israeli negotiations as a representative of the USSR, a co-president of the Middle East peace conference. Yesterday [4 December] Mr. Belonogov gave an interview to DP [Diplomatic Panorama] correspondent Mikhail Mayorov.

Corr [Correspondent]: It is everybody's opinion that the bilateral negotiations are the most difficult stage in the Middle East settlement process. We still don't know exactly when they are going to begin or what they will lead to. Nevertheless, as we know, there is going to be a meeting in Moscow at the end of January, after the Washington round, in order to organize multilateral negotiations. Aren't the diplomats in too much of a hurry?

Aleksandr Belonogov [A.B.]: It is quite true that the situation is fairly complicated at the moment, and it is very difficult to say what the Washington round will result in. But we don't believe there should be any strict connection between bilateral and multilateral negotiations. We just think they are two parallel processes which could stimulate each other. This is at least the view taken by the two co-presidents of the peace conference, the Soviet Union and the United States.

I would also like to point out that the Moscow meeting will basically deal with technical matters. It will decide where and when the multilateral negotiations should be held and what form they should take. So it is up to those who come to the Moscow meeting to decide, for example, what kind of connection there should be between the two rounds of negotiations.

Corr: Is it expected that the USSR foreign minister may go to the Middle East? After all, although the Soviet Union is one of the co-presidents of the conference, Soviet statesmen have only been twice in the region in this connection, whereas James Baker has been there eight times. And those two trips were taken by two different foreign ministers, both of whom have now resigned. Do you think Eduard Shevardnadze will also need a trip to the Middle East in order to make personal contacts and speed up the settlement process?

A.B.: There have been no concrete plans to that effect, but I don't think this is impossible—the situation may change and this may be necessary.

Corr: After the Soviet Union and Israel restored diplomatic relations some Arab politicians have claimed the Soviet foreign policy in the Middle East has become rather pro-Israeli. Since we are soon going to have an embassy in Israel, what are the tasks that will be set to its staff? Shall we be able to exercise any influence on Israel if the settlement process is checked?

A.B.: To start with, I don't agree that our policy has become pro-Israeli. The restoration of diplomatic relations between our two countries put an end to the imbalance which had existed for a long time: the Soviet Union had diplomatic relations with all Arab countries whereas Israel was the only country in the region we didn't have such relations with.

The functions our embassy in Israel will have to perform won't essentially differ from those of a Soviet embassy in any Arab, West European or Latin American country. The embassy will naturally deal with our bilateral relations as well, especially since these relations have been developing fairly rapidly in various fields. There is one specific circumstance as well, the fact that Israel has a large number of immigrants from the Soviet Union who still have relatives in the USSR. All this is sure to keep our diplomats busy.

Of course, our embassy will also be expected to give whatever assistance it can to a settlement in the Middle East, which will be a very important aspect in its work. Yes, the fact that we have restored diplomatic relations with Israel has given us new channels to influence its foreign policy.

Corr: Does the Soviet Union believe that all sides have been doing what they should at this stage in the settlement process?

A.B.: The co-presidents should be very careful about what they do, for otherwise they could lose some of the opportunities for cooperation with some of the parties in the conflict. What I am going to say now is my personal point of view. I was present at the Madrid conference and I didn't see the logic behind the position of the Israeli delegation, which wouldn't hold bilateral negotiations for more than one day after the plenary meetings were over. I think the Israelis thereby deprived themselves of some of the channels to exercise positive influence on the Arabs' position. One also had the impression they had different motives for entering into those negotiations from those they claimed to have.

Nor can I see the motives behind the Israeli Government's attempts to postpone the beginning of bilateral negotiations in Washington. The official reason the Israelis give is that they haven't had enough time to get ready for the Washington round, whereas in actual fact it has been a fairly long time since the Madrid conference was over, so they would have been able to get ready if they had wanted to. I hope common sense gets the upper hand and all these problems are solved, so that the parties will resume negotiations and get on with what they started in Madrid, although this is also my personal hope.

Corr: Our relations with Israel are still in the making, but there have been strange reports in the press to the effect that Israeli-made rifles have been used in the Chechen Republic. What would you say to that?

A.B.: If this is true, I don't think Israel is trying to help anyone in the Soviet Union. Apparently this is a result of inadequate state control of arms exports. There is an international black market where these days you can buy practically anything except an atom bomb or strategic missile. Private traders definitely make a lot of money out of it. You can see Kalashnikovs in various parts of the world, and some people think this means the Soviet Union is up to some machinations, but they are wrong. It would be as absurd to assume that the Israeli Government is pursuing some kind of plan in some part of the Soviet Union because Israeli rifles have been found there.

Document to Regulate Economic Activity Prepared

*LD0512212191 Moscow TASS in English
1815 GMT 5 Dec 91*

[By TASS correspondent Ivan Ivanov]

[Text] Moscow December 5 TASS—Most important aspects of how a joint economic space will function are being discussed today by the council of heads of government of the Soviet Economic Community. The meeting is attended by representatives of 12 republics of the former Union.

After considerable effort, an agreement regulating the community's economic activity has been prepared for signing as part of a package of agreements attached to the Economic Community Treaty signed by ten republics two months ago. The heads of the governments signed yesterday a first agreement from the package on coordinated taxation policy.

An agreement on prices and volume of goods deliveries under interstate treaties and on common needs was being discussed today. It was decided not to regard deliveries for the upkeep of the Army and the country's transportation system as common needs.

One of the key items of the agreement, determining the list of goods and services for which the economic union should regulate maximum prices, remains unresolved. A coordinated list of goods and services is to be submitted to the meeting this evening.

The main question, that of coordinating actions of sovereign member-states of the Economic Union in conducting the economic reform proposed by the Russian Government also remains unresolved for the third day. The republics announced they are unprepared to free prices on December 16.

Government Chiefs Continue Council Session

Products, Pricing Discussed

LD0512202791 Moscow TASS International Service in Russian 1811 GMT 5 Dec 91

[By TASS correspondent Ivan Ivanov; "At the Session of the Council of the Heads of Government of the Sovereign States—Afternoon Roundup"—TASS headline]

[Text] Moscow, 5 Dec (TASS)—Participants in the afternoon [5 December] session returned to discussing the agreement on prices and on the volumes of supplies of goods in accordance with mutual interstate agreements and for common needs.

The session adopted as an appendix to the agreement a list of consumer goods and services for which the limits for retail prices are agreed. It includes bread, milk, curds, sour milk, vegetable oil, children's food, sugar, salt, matches, water and drinkable alcohol, gasoline, diesel and other fuel for domestic needs, passenger transportation, and communication services.

The session's participants also agreed, in principle, on a list of products to be sold within the frameworks of bilateral and multilateral agreements and supplies for common needs not exceeding the agreed maximum levels. Here were included coal; oil; gas and other types of fuel; electricity in the single energy system; precious metals and stones; medical equipment and medicines; shipment by rail, sea, and air transport; and all-Union communication services.

At the concluding stage of agreeing on the list of products sold within the frameworks of deliveries for common needs at regulated prices, Vladimir Mashits, the Russian plenipotentiary representative in the Interstate Economic Committee, spoke sharply against including grain on this list, while the representatives of the other republics held an opposite point of view. He explained to a TASS correspondent that it will be practically impossible to purchase grain from farms which are accumulating stores of it. They will sell grain to the state more freely at free prices. However, some economists present at the session consider that if grain prices are deregulated, then grain imported into Russia from abroad may be reexported to other republics at higher prices. This may lead not only to Russia receiving additional revenue in this way but also to the raising of prices in the country for the majority of food products since grain is one of the basic price-forming goods.

As a result, it was decided to instruct Ivan Silayev, chairman of the Interstate Economic Committee, to decide the question of including grain in this list during a personal conversation with Boris Yeltsin. It is difficult to predict how further events in the council of the heads of government will develop if the Russian Government continues to defend its position. It is not ruled out that in such an event this agreement will nevertheless be signed tomorrow at a session of the Council of Heads of Governments without the contentious matter of the grain.

Committee on Fishing Set Up

OW0612120191 Moscow INTERFAX in English 1955 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] The heads of governments, which are members of the Economic Community, gathered as a council to establish an intergovernmental committee on fishing in the world oceans. This committee will act as the USSR Ministry of the Fishing Industry's legal successor in handling the industry's foreign economic activities. The committee will coordinate the fleet's activities outside USSR waters and international agreements on fishing quotas.

Former Soviet republics may form their own government organs to manage the fishing industry. Turkmenia has already established a state Committee on the Fishing Industry, and Ukraine plans to set up a similar organ.

Russia, which has control of 75% of the former USSR's fishing industry, has decided to establish a fishing industry committee. The committee will be a component of the RSFSR's Ministry of Agriculture. On November 28, President Yeltsin signed a decree ordering that all enterprises and organizations involved in the fishing industry on the territory of the RSFSR be moved under the jurisdiction of the RSFSR Ministry of Agriculture.

Fish Exports (January-October 1991)

Type of Product	Jan-Oct 1991 thousands tonnes	Jan-Oct 1990 thousands tonnes
Fish	222.1	347.8
Tinned	7.7	34.3
including		
crab	0.8	1.0
salmon	2.7	2.7
By trading	34.1	55.6
By barter	18.1	36.4
By right to catch	159.3	147.0
By coastal trade with Japan	9.4	36.7

'Considerable Progress' Made

PM0512145991 Moscow SOVETSKAYA ROSSIYA in Russian 5 Dec 91 p 1

[TASS report: "In Council of Heads of Government"]

[Text] The participants in the current Moscow session of the Council of Heads of Government of Economic Community Member States agreed yesterday [4 December] to implement a concerted tax policy with a view to standardizing taxation principles. This is a decision of fundamental importance for forming a unified economic space on the territory of the Union.

The agreement on taxes is the first to be approved by the heads of government in the extensive package of documents relating to the Economic Community Treaty signed by 10 USSR republics. The 18 October treaty is designed to be a cementing basis for the creation of a new political union and the signing of the Union treaty.

Today's session of the Council of Heads of Government is expected to adopt a number of other very important agreements relating to the Economic Community Treaty. To all appearances, a final decision will also be adopted on the USSR's legal successors in respect of payment of the foreign debt and the sovereign states' use of the Union's assets.

A TASS correspondent has learned from reliable sources that the idea was expressed during the session that the republics are not ready for the price liberalization on 16 December, as the State Bank will be unable to provide the entire population with monetary resources and the population has not been prepared for such a step.

The process of forming a unified economic space, despite the protracted political dialogue between the former members of the Union, is gathering momentum. This is confirmed by the session of the Council of Heads of Government of Economic Community Member States, which is continuing for a second day in Moscow.

Considerable progress has already been made here in resolving the problem of dividing up the debt commitments and assets of the former Union. And yesterday morning the heads of government continued discussing one of the central items on the agenda—coordinating the sovereign republics' actions in implementing the economic reform proposed by the Russian Government.

Democratic Reforms Group Holds News Conference

Founding Congress 14 Dec

LD0512192291 Moscow Central Television First Program Network in Russian 1610 GMT 5 Dec 91

[From the "Television News Service" program]

[Text] A news conference by the leaders of the Democratic Movement for Reforms took place in Moscow today. It was stated that the movement will hold its founding congress on 14 December. According to the movement's leaders, it can play a role of a link between the political structures of the former Union, because 26 political parties from 15 sovereign states will take part in the congress.

However, some well-known political structures, for instance Democratic Russia, have not approved the idea of holding the congress. The Movement has a number of open opponents, such as, for example, the Nashi Movement. Participants in the news conference noted that the danger of another putsch cannot be ruled out.

Political Council Observed

LD0512192791

[Editorial Report] Moscow Central Television First Program Network in Russian at 1645 GMT on 4 December carries a 30-minute program entitled: "Remembering the Future". The program opens with a brief commentary on the "radiant future" that the former system had failed to deliver. The program then switches to a session of the Political Council of the Movement for Democratic Reforms [MDR], said to have been held in the former CEMA building on an unspecified date. Gavriil Popov is briefly shown speaking about the system of power and Eduard Shevardnadze about the threat from the right.

In an interview, V.S. Lipitskiy, chairman of the board of the "Free Russia People's Party" says that despite people's general suspicion of all political diktat, political parties in different republics are seeking ways of joining forces and are showing interest in the movement.

A.P. Vladislavlev, chairman of the Council for Entrepreneurship attached to the USSR president, is also shown addressing the political council session. He says in an interview that new parties and movements have to consolidate against conservative forces. "I believe that the creation of a roundtable of democratic political parties and political movements is the number one task".

A.I.Muzykantskiy, prefect of the Moscow Central Administrative Okrug, also attended the session and says in an interview that reforms need to be pursued in a situation of stability. The blueprint for reform exists in macro form, he says, but detailed mechanisms are still missing.

V.N. Shostakovskiy, cochairman of the RSFSR Republican Party, says that the intention is not to create a super-party, but a bloc of parties and public organizations. He says that over the past year or so the RSFSR Republican Party has evolved from social democratic principles to values of a more liberal nature and it is now a party of the center.

Lipitskiy is interviewed again and says that the movement has a social democratic wing, which sets social justice as a priority, and a liberal wing interested in the rapid development of a market economy. But, overall, the party belongs to the social democratic left. Vladislavlev says the movement is an amalgam containing former leaders of considerable standing like Shevardnadze. Muzykantskiy says it is necessary to create a situation in which all main political forces combine to back reform. This is a realistic possibility because the key goals of all democratic forces are the same. Shostakovskiy says the movement could create a forum for dialogue among democratic forces in all parts of the former Union.

A.N. Yakovlev, state counsellor for special assignments attached to the USSR president is interviewed and he says: "Now is the most difficult situation for me personally. I cannot now renounce the democratic ideals that I profess. And I understand that simply to declare a holy war against this brazen class of functionaries which has taken up the banner of democracy and thinks of it as armor plating... well, it considers so in vain. And there is also the point that you immediately come up against a view that you allegedly support something outmoded and obsolete. I don't want that either. And to maintain one's solidarity with a policy of cavalry charges aimed first at one problem, then another, and then a third... and to maintain one's solidarity with executive authorities which remain helpless, while neither Union nor republic decrees are fulfilled and merely the illusion is created, and we continue to measure democracy by the number of decrees issued—I repeat, one's conscience does not somehow allow one to maintain solidarity with this.

"So now is a period of very serious reflection. And I regard the task of our Movement for Democratic Reforms as being somehow at least to try and attempt to find the vital principle—not so much to grasp hold of it and propose a program of some kind, because there are very many programs already. But perhaps the idea should be to draw people's attention to the delusions or nondelusions of us all. Otherwise we won't open the windows and give scope to people's hopes. So now is quite a difficult time, and it is even a situation which is perhaps amenable to journalistic synthesis, but not yet accessible to precise, clear, and accurate analysis."

In further interviews, Vladislavlev says that the new Yeltsin team inspires hope. Shostakovskiy says that there is a problem of popular disillusionment with the political process as such. Before August, Muzykantskiy says, the movement seemed to have been attracting former party workers and had been in danger of becoming a replacement for the former ruling party. On funding, Lisitskiy says that the movement's leaders intend to make a public appeal for donations before their congress.

S.Ye. Trube, responsible secretary of the MDR organizing committee and chairman of the board of the Russian public charitable foundation "Sodruzhestvo", says that only after the congress will the movement proper be able to take over legally from the organizing committee. Between one and 10 people representing various organizations in various regions come to the organizing committee daily to apply for membership.

A man captioned as A.V. Trubitsyn explains that he supports the movement because democratic forces have to be consolidated. A young man captioned as Ye.Yu. Spitsyn says that the younger generation has to learn the ropes.

Zhirinovsky Accused of 'Impudence', Vulgarity

PM0512113091 Moscow NEW TIMES in English No. 45, 12-18 Nov 91 p 2

[Article by Sergey Mitrokhin of the Institute for Humanitarian and Political Research: "A Boor in Power"]

[Text] Impudence as a means of acquiring political dividends is becoming the vogue of our times, though vulgar ways of behavior in politics were popular as far back as the Khrushchev era - suffice it to recall his manipulations with his boot at a UN session. Presently, it is Mr Zhirinovskiy who is the successor to that fashion and who showed that six million people - the social base he leans on in Russia - wholly support loutishness. Zhirinovskiy's main trump card is not so much his absurdly demagogic programme, but his behavior and the insolent way in which he casts aside all the proprieties, which so impress his supporters. Unfortunately, there are not a few people in our society who are crazy about boorishness and who admire and respect impudence as a manifestation of strength...

On September 18 Russian TV broadcast a programme called Two Questions Put to President Nixon. The authors of the telecast tried very hard to create the impression among the TV viewers that the USSR President had a hand in the August putsch. Though Vladimir Bukovskiy's arguments were not very convincing, I nonetheless do not deny his right to voice his contentions before a millions-strong audience. But I do not know what accomplishments of the PRE-GORBACHEV period could justify political analyst Olshabnskiy's sadistic ruthlessness under the guise of which he, without waiting for the end of the investigation, displayed his "analysis" for everybody's savouring. And by what right did the programme's anchor man take the liberty to trample underfoot the presumption of innocence by setting masses against Mikhail Gorbachev? For it was Gorbachev who, in 1985, started and went on with the shattering of the party and government colossus. All these years his enemies have been watching his errors and mistakes so that they could expose them at the most trying moment for this country, with the sole aim of ridiculing Gorbachev before the public. Their hour of triumph has struck and now they can cry out loud: "Crucify him!"

The politicized and perceptive minds stop at nothing to expose ominous conspiracies and high intrigues hatched by Jewish Freemasonry, apparatchiks, Gorbachev, and others. Contrary to this practice, I would dare to stress that our society has entered that stage of its development when the most dramatic events take place before everybdoy's eyes. Those who, in search of some hidden phenomena, are prone not to notice the on-going processes probably would not understand my anxiety over possible variants of Russia's future. The ochlocracy, i.e., mob rule, is one of them. Once yes-men and riff-raff come to power, they would use to their advantage all the sacrosanct niches of the social pyramid. They risk of those people taking power will be especially great when they hold the top governmental posts: generals will get armies and leaders will rely on paid gunmen, declasse elements and fanatical youths. No political regime can be insured against the possibility of ochlocracy, which is not the form of government but rather its essence. Only the democratic system is able to prevent criminal cliques from coming to power.

Shevardnadze Interviewed: Foreign Policy Goals

PM0612095391 Moscow NOVOYE VREMYA in Russian No. 48, Nov 91 (Signed to Press 26 Nov 91) pp 4-7

[Article by political observer Galina Sidorova under the "Political Life" rubric, incorporating an interview with Eduard Shevardnadze, Soviet external relations minister in Moscow, on 20 November: "Twice Minister of the Soviet Union"]

[Excerpt] [passage omitted] Some 11 months ago I was one of the last "outsiders" to see Shevardnadze in his office on the seventh floor of the building on Smolenskaya Ploshchad. On the morning of 20 November he and I agreed that I would be the last visitor on the first day of his return. I had to wait until 2200.

The same office. The same host. Only his face was still more careworn and tired. The stormy events of recent months have taken their toll: complex relations with the Georgian leadership, which has virtually cut Shevardnadze off from his small motherland, concern at the obvious mistakes of democrats carried away by the power game, frequently futile efforts to create a democratic movement with due regard for the fact that any new structure in our country at once reproduces the most unpleasant features of the former structure.

I asked which was harder: going or coming back?

[Shevardnadze] Coming back.

[Sidorova] Why?

[Shevardnadze] The times are more complex. I made a choice, because my principles—moral and ethical—would not let me refuse.

[Sidorova] Did you ever regret the decision you made last December?

[Shevardnadze] No. I believe I acted correctly. Perhaps this is an exaggeration, but I believe that, objectively, my resignation stirred up society, helped to rally democratic forces, and halted the offensive of reaction.

[Sidorova] If we compare your present task with the one facing you in 1985, when you first crossed the threshold of this office...

[Shevardnadze] Things were complex then too. I was plunging into something unfamiliar. But at that time the rear support for foreign policy was more reliable. I felt support, particularly at the initial stage. Much has changed now. In the international arena, for example, I cannot see any particular complexities. The problem is that our internal situation today is not just unstable. It is a crisis situation. You cannot envy the minister of external relations in such a situation.

[Sidorova] Did the offer to return come from Gorbachev, Yeltsin, or a wider circle of interested persons?

[Shevardnadze] In my opinion, there was a coincidence of views on this question. I find it hard to say just who was the first to raise it. But my first conversation was with Mikhail Sergeyevich. He tried to get a more precise idea of my attitude. I did not give a final answer. Later, as I now know, he consulted with Boris Nikolayevich, with Yakovlev, and with the republics' presidents and received support. I asked Yeltsin's advice before replying. It seemed to me that he reacted enthusiastically, saying that this was a very correct step and promising his support in practical work.

[Sidorova] But is there anything to work with today? Does Soviet foreign policy exist, or has it already broken down into 12 foreign policies of sovereign republics?

[Shevardnadze] The very process of taking shape requires totally new approaches—this is obvious. It will be necessary to work out an entirely new methodology and technology for defining the foreign policy course. The republics and the central department will participate in this difficult and agonizing process on equal terms. I believe that we will find rational solutions if we are tactful and take a sensible approach. I regard as of paramount importance the interests of the sovereign states which wish to join the Union. Economic policy will occupy an important place in the work of the Ministry of External Relations. In fact, if it were not for this function, I might not have agreed to return. I hope that the certain credit of confidence that still exists in the world will enable me, at least to some extent, to help my fellow citizens to surmount the adversities that have befallen us.

[Sidorova] What have been your first steps as minister?

[Shevardnadze] I have done away with all trips abroad. I wish, above all, to visit the republics' capitals, to meet with presidents and minister colleagues, to discuss the state of affairs in foreign policy, and to take on board everything suggested by the people who are to determine the new course together with us.

[Sidorova] What do you see as the uniting role of the central foreign policy department? For example, the

Ukrainian representative at the last session of the Foreign Ministers Council declared, as far as I know, that Ukraine does not intend to participate in any coordinating organs, unless there is a discussion of a share-out...

[Shevardnadze] It is of this that the art of shaping policy must consist: So as to take account of the interests of all the sovereign states that recognize us. Time and patience are needed. And then—this cannot be ruled out—they will realize that a course worked out together might accord more with the interests of individual republics than a separate policy. We must organize the work of the central ministry in such a way that a need is felt for our recommendations and experience. We must not be overbearing or impose our will. I hope to create an atmosphere in which cooperation in this process gives satisfaction.

[Sidorova] Let us assume that the republics wish to open their own embassies...

[Shevardnadze] There could be such requests—we will take a calm attitude, examine them, and decide together.

[Sidorova] The Ministry of External Relations is faced with big cutbacks. Are you confident that it will be possible to distribute people somehow sensibly among the republic foreign ministries, let us say?

[Shevardnadze] We will discuss this with the republics' leaders. The problem is not only one of cutbacks. There are fears that people will simply scatter and go to commercial structures. There is a great demand for good specialists today. We must preserve this potential. Our plans include a training and research center in Moscow based on those that already exist. All the republics will have the opportunity, if they so wish, to send their people for training, including management personnel training. It is rather difficult to create those kind of conditions in each individual republic...

[Sidorova] Have you thought about what will happen now to the Democratic Movement and your Foreign Policy Association?

[Shevardnadze] Of course, it is difficult to combine all this. I would like the association to continue to function. As for the movement, I intend to carry the matter through to a congress—we already have 70 regional centers. This is quite a lot. And I hope that the congress will be held successfully in the middle of December.

[Sidorova] Do you regard yourself as a representative of the movement in your present post and on the State Council?

[Shevardnadze] I was not invited as a representative of the movement. But, naturally, I myself have an obligation toward it and will do everything to turn it into a serious political force.

[Sidorova] What will happen to the talks with Lithuania?

[Shevardnadze] On the one hand, God himself has now commanded me to conduct them. On the other, my new duties will take up a very great deal of time. I do not know whether I will physically have time for everything myself.

[Sidorova] Does the fact that you are back in this office today mean that you are returning to Gorbachev's team?

[Shevardnadze] There might be different views on what the team comprises at the stage when sovereign states are being formed. Does the team include the presidents of sovereign states who will sign the Union treaty? If you regard the State Council as the team, then it does. But, in my opinion, team is not a suitable word here, for it does not adequately reflect the essence of sovereignty and independence. Therefore I fight shy of it. As for the president's entourage, I will be beside him. I will be a member of this team, if you want to give currency to this word. After all, we have known each other and worked together for three decades, and there have been all kinds of things, particularly in connection with my resignation—complications and some criticisms on both my part and his—but this is secondary now.

[Sidorova] How has your family taken your return?

[Shevardnadze] Grudgingly.

[Sidorova] Are you not afraid? Do you not feel you are boarding a sinking ship?

[Shevardnadze] I am afraid. I would say that this is a risky step on my part. After all, I have already had a spell of wearing the mantle of minister. A certain opinion has been created around me in the country and in the world. What if suddnely it does not work out? Of course, the risk is great. And if I am to speak of personal interests, I will say frankly that it would be better for me to tackle the matters I was tackling until today... [Shevardnadze ends]

By coming back Shevardnadze has proved that he does not intend to duck responsibility. I believe that his decision reveals the character of someone who is accustomed to issuing challenges and taking up the gauntlet. And, in general, this is perfectly natural, if it is accepted that a true politician cannot exist for long outside active politics. However, the risk he has taken as a politician has become still more obvious in recent days. Not even our Western partners who have studied us minutely realize the profundity of the economic and political crisis. They put their trust in Shevardnadze today. But he is not a magician.

Over the past year Eduard Shevardnadze has learned to indulge in politics "without a portfolio." Today he has gotten an empty portfolio. Without a country and without a policy. And he knows this.

Tone, Content of Gorbachev Speech Questioned

PM0512154591 Moscow IZVESTIYA in Russian 5 Dec 91 Union Edition pp 1, 2

[Albert Plutnik "Political Diary": "President in the World of Illusions"]

[Text] "The country is in danger, the homeland is in danger," we heard the USSR president say in his speech on Central Television. I think people of the older generation do not need to be reminded of the phrase that comes to mind as the continuation of those words. At any rate, a great many television viewers would suddenly have independently recalled the famous song "Arise, O Huge Country!"

M.S. Gorbachev appeared on our television screens that evening in order to comment on his appeal to the deputies of the sovereign republics' Supreme Soviets, in which he calls on them to act according to the principle "Do as I do." That is, to share his choice—to vote for a new Union, a union of sovereign states, a confederative democratic state.

What exactly has happened, and why has this passionate and strange monologue been delivered and why have these lines about the "crisis of statehood" and about disintegration that is violating the "historical logic of the existence of a huge and integral country" been written with emotion all of a sudden precisely now, today, rather than yesterday or the day before? These are lines that betray not only the anxiety at the many negative processes taking place in society that is natural for the president of a country experiencing such difficult times, not only his pain and concern, but also irritation or nervous strain that, as it were, prompts an instinctive desire to say: "Calm down, Mikhail Sergeyevich, let's not lose our head." For imperial notes, albeit in the form of benevolent mentions of the terrible future that lies in store for everybody bold enough to break away from the Union, have suddenly begun to creep back into the words of the most democratic president in Soviet history.

No matter how often it is repeated that the independence proclaimed by Ukraine by no means signifies its secession from the Union, these words can scarcely convince many people. Even those who say them like an incantation. I think that something else is also clear to everybody: The secession from the Union of one of the biggest republics in terms of production potential and population, the elimination essentially of one of the "load-bearing structures" of the entire edifice of the Union inevitably means that the entire edifice can no longer remain standing.

But here is the question that arises in this connection: Did anyone in the top leadership have any doubts that the Ukrainian people would vote for independence a month ago, say? The most astonishing thing is that probably they did have doubts. Millions of people did not, but the country's leadership... Otherwise its reaction to the accomplished fact would not have been so stormy. That is how people react only to things they were unprepared for. But what does this unpreparedness indicate? Such doubts could be entertained only by people who simply cannot force themselves to face squarely up to life. Only by people who seemingly constantly hope for a miracle in the belief that nothing that they do not want can happen.

Yes, in March a majority voted in favor of the Union in an all-Union referendum. But a very great deal has changed since then. Not only in the conduct of polls. Pivotal events have occurred. The August putsch, for instance. There has also been a sweeping redistribution of power to which the republics have reacted in their own way. Among the series of unquestionably positive points there suddenly appeared a threat that scared many, the threat of the revision of borders if sovereign republics choose to secede from the Union. This threat had the diametrically opposite effect to that expected by the politicians who resorted to it. It is all the more surprising that this threat, albeit in a slightly veiled form, resurfaced in the president's television commentary.

There is an astonishing disparity between what I would describe as the manner of the appeal, its tone, and its whole reasoning and the historical moment that society is experiencing, the realities of life. Reasons derived from the sphere of supposition are predominant. And, as is well known, our supreme authorities have never been strong in this sphere—the sphere of forecasts and analysis of real pictures of what is happening.

"Disintegration would sound like a sentence on those people—and there are tens of millions of them—who are living outside their own national republics..." Is it worth resorting to arguments that have been heard many times from politicians of a very specific type who have repeatedly reproached the democratic authorities for abandoning the Russian-speaking population of the Baltic countries, say, to the mercy of fate. Perhaps, bearing in mind the irreversibility of the situation, it would be more appropriate to put in a good word about Russian communities abroad, which exist in France and Canada, Germany and Australia—Russian people live all over the place and seem to live quite well, they do not forget their language and they preserve their culture. "Disintegration is fraught with interethnic clashes and even wars." It is unclear what kind of disintegration is meant—future or present disintegration? Since there are already more than enough interethnic clashes, and some of them seem to have already developed into wars...

I think this appeal mirrored two dramas at once—the personal drama of Gorbachev, whose services to the democracy he sanctioned, which in time escaped his control, are indisputable, and the social drama, the drama of many, many people who still seem to be living in a world of illusion rather than reality and who believe that people can have more faith in political incantations couched in the spirit of party propaganda than in the wish among a particular people to live their own lives.

In my view, the president, in setting out his credo over and over again, is entertaining not entirely justified hopes that the "people's elected representatives," like party members or lower-ranking party officials at the first word from the general secretary in the past, will immediately salute, that is, will duplicate the suggested decision and at once vote "in favor." Unfading illusions of the past... Nowadays events usually develop in precisely the opposite way—once they have heard the center out, many prefer to act differently. That is simply the social reality today, a reality that you must be aware of and reckon with. Notwithstanding the fact that I would least of all like the resolution of questions of vital importance to the peoples to become an extension of this peculiar political game with a result that is known in advance.

In my view, there are substantial "variant readings" and divergences in interpreting the prevailing circumstances and ideas regarding them. The president, and he is not alone in this, unequivocally thinks that the "disintegration of the state" is the right road to catastrophe, whereas millions of people in the republics feel enthusiasm and are convinced that they will gain cherished freedom with the beginning of independence. Time will tell who is right about this. But it is a fact that for a very great number of people the advantages of the Union, which, let us be blunt, have by no means always been cogently demonstrated to them over the decades, are not so indisputable that the threat of its disintegration can serve as a bogey for them. But there is also something else that should be borne in mind, I think: If, when we were together, we had different experiences—both bad and good—independence is still no guarantee that everyone will have a better time on their own.

Today attempts both to move people to pity and to intimidate them are equally futile. Indeed, when the "process is under way" and has been under way for a long time, can it be stopped by force, even armed force? Can it be stifled by a little bloodshed, or even a lot? The answer has already been given—in Nagorno-Karabakh and South Ossetia, and everywhere that ethnic conflicts are flaring up or blazing away.

"The logic of the existence of a huge and integral country" has undergone serious historical revision. So what is going to happen? Today, most likely, the discussion should be conducted in the context of the "sides'" strategic interests, both political and economic. In the context, in particular, to which President N. Nazarbayev of Kazakhstan has long been trying to switch the dialogue between sovereign republics. Quite recently, after his nationwide election to this post, he declared that a political treaty is necessary because it pursues, among others, the aim of creating a proper economic area where normal market conditions would be formed. In his opinion, a clear distinction should be drawn between those who bear and will continue to bear their share of the common responsibility, and those who have no intention of bearing it.

If there is indeed no iron logic about the present rupture, if there was more of it about the former unity that was compromised by erroneous policy, then objective logic is bound to make itself felt sooner or later. It will force the sovereign republics to look to each other once again.

In remembering the past and thinking about the future, it is more important than ever today to display tolerance and not to inflict on each other traumas and injuries that will affect the political and moral health of many generations.

Inevitability of Another Coup Questioned

PM0612133991 Moscow IZVESTIYA in Russian
6 Dec 91 Union Edition p 1

[Article by Andrey Ostalskiy: "Is Another Coup Inevitable? Sobchak's Prophecy Has Shaken the Whole World"]

[Text] A military coup in the Soviet Union has now become a real possibility, and this time it will be successful because the people will support it. This gloomy prophecy by Anatoliy Sobchak, mayor of St. Petersburg, first reported in the French newspaper LE FIGARO, has spread all around the world. And it is no exaggeration to say that the whole world is shaken.

Many, including REUTER, directly link the frenzy in the world's stock markets with the fears engendered by such statements. The topic of a possible new attempt at the violent overthrow of the democratic government and the establishment of a dictatorship is ever-present in the Western press, especially as Sobchak's statement was preceded by a warning from Mikhail Gorbachev.

Eduard Shevardnadze has said the same thing—for the umpteenth time—and now his gloomy forecast ("The threat of a rightwing putsch is growing and becoming increasingly real") is being broadcast around the whole world by radio stations and news agencies.

The reality of the threat of dramatic and possibly bloody events in our country is also linked to a sharp increase in the activity of the CIA, the National Security Agency, and other U.S. intelligence organizations which day and night monitor the development of the situation in the "former USSR." CIA Director Robert Gates stated in a speech to U.S. special services staff that the CIA is making "unprecedented efforts" in this area. "We must take into account the historical lessons of the collapse of empires and warn of the dangers as well as the possibilities opening up since the coup attempt in Moscow in August," he said. The CIA, Gates announced, has prepared an unprecedented number of analytical reports—10!—in the past three weeks, giving an all-emcompassing assessment of the situation in our country. As might have been expected, however, the leader of the U.S. intelligence service did not convey his conclusions to anyone except his president. Thus we do not know whether he accepts Sobchak's pessimism, even though informed sources also claim that the U.S. Administration would "share" its knowledge and information again and warn Gorbachev (and now clearly Yeltsin, too) of the danger if it had definite conclusions on that score. Such a warning, it is now known, was issued on the eve of the August putsch. But it was ignored then.

Now the situation is more the other way round. Our officials are warning of the virtual inevitability of a coup, whose consequences could be catastrophic not only for us but for the whole world, too, whereas in the West (at least the professional politicians are distinguished from the extremely "impressionable" stock markets by a greater composure) they do not place very much credence in this.

There is no doubt: The threat to the fragile, still nascent democracy in Russia and other "former republics of the USSR" is quite real. Society has been irritated by the unfamiliar problems of the democratic form of life, and that irritation is being aggravated in the extreme by the inevitable economic difficulties of the transitional period and the general inability of the rulers (there are no others). But the West cannot understand why all this should be grounds for panic and the despair that causes people to throw up their hands. As a result some people abroad have the impression that we ourselves could "incite" a new putsch, that we are reconciled in advance to the inevitability of the return of the "lash" and are now hurrying this event along, scaring each other and the whole world. Others think that we are like a drunken brawler threatening to smash the place up unless he is given some money for another drink. Is there not an element of truth in both of these assessments, neither of which is very flattering to us?

You cannot help thinking of that when listening to some figures demanding the acceleration of Western financial aid for food and threatening an inevitable coup unless that happens. But another fact must also be recognized—the hangover after decades of totalitarianism is really so severe that it could kill the whole organism.

But the most dangerous thing yet is the ovine readiness to accept the inevitability of the worst. "There is nothing to fear except fear itself," President Roosevelt said about such situations. Real threats should not be feared, they should be fought. And the world, by all accounts, is ready to help us in that.

Grachev Describes Presidential Reading Matter

PM0512154691 Moscow MOSCOW NEWS in English No. 47, 24 Nov-1 Dec 91 p 6

[Report by Olga Bychkova: "What Do Presidents Read?"]

[Text] "The USSR President continues to read PRAVDA every day, but through different eyes," said Andrey Grachev, head of the president's Press Office. According to Grachev, the press is obviously present in the president's inner thoughts as a sounding board. Every day, Mikhail Gorbachev receives a selection of the most topical and significant pronouncements in the press, as well as some of the publications (not all) concerning him personally.

Press review is prepared by the President's own staff who are expected to be extremely objective. "In Boldin's times, press reviews were used as a method of brainwashing the president. Now Grachev and his staff often draw the president's attention to particular articles which they believe to be worthy of his consideration. "The reading he does on his own is quite varied, too," Grachev says. "I have learnt about some publications from him, not vice versa. Mikhail Sergeyevich showed me cutting with notes and underlining which indicated he had read them himself, not his aides. I think his family helps him follow the press, too."

The latest example is the NEW TIMES publications on the warning former Foreign Minister Bessmertnykh received from his American counterpart about the forthcoming coup. Even before Grachev had time to tell Gorbachev about the article, Gorbachev was interested in it.

According to Grachev, the press interests the president as a political force. Gorbachev wants to know the position taken on certain issues by IZVESTIYA, MOSCOW NEWS, INDEPENDENT from Russia, and to a lesser extent by the PRAVDA and SOVETSKAYA ROSSIYA. He always notes the journalist's name if an article seems interesting to him.

Incidentally, quite a few men in his political surrounding have made their names in journalism, for instance, Aleksandr Bovin, Ivan Laptev, Viktor Starkov. True, the President's relationships with some of them had seen ups and downs, as was the case with former Moscow News Editor-in-Chief Yegor Yakovlev, for example.

The president's press officer believes that certain publications have influenced Gorbachev's thinking significantly. For example, Aleksandr Tsipko's articles in which the political scientist called upon the President to renounce "socialist choice"...

Grachev says the president reacts painfully to the press's "vulgarities and bad taste". A short time ago, for instance, he was very upset over a publication in Moskovskiy Komsomolets, and his staff did their best to conceal a certain Independent from Russia report from him—both of which discussed his personal life in a crude manner.

According to Andrey Grachev, the president is prepared to tolerate the existence of gutter press. He knows that in all countries there are publications to cater to every taste, but he wants to know for sure, in each case, whether he is dealing with a "yellow" or a newspaper regarding itself as intellectual.

In the long run, Mikhail Gorbachev has learnt to defend himself and not to be bothered by trifles. He has become used to the idea that the press "not leaving you alone" is an important feature of political landscape.

CPSU Funding for Parties Abroad

PM0412172491 Moscow NEW TIMES in English No. 44, 5-11 Nov 91 p 9

[Unattributed report: "Thou Shalt Not Judge the Last General Secretary"]

[Text] Said Andrey Grachev, head of the presidential press service, formerly one of the heads of the CC [Central Committee] CPSU International Department, easily the main channel through which state funds were funnelled abroad disguised as assistance to foreign Communist Parties:

"Known as the nucleus of the Soviet political system, the CPSU used to operate as one of the incarnations of the huge state-military-economic mechanism that ruled the country for the past seventy years. Being the main element of this mechanism, the party naturally served the state policies, including international ones. Its international contacts with 'fraternal' parties—be they ruling ones (in socialist or developing countries), opposition ones or even illegal one—were aimed at supporting allies, gaining new 'friends' and exercising influence on the international public. Very briefly put, the objective was to maintain the political 'family' which any self-respecting superpower had to have in the past. The United States was doing approximately the same, although on a grander scale, because it had more opportunities.

"Financial support of 'friends'—directly or through various commercial or publishing firms—was an element of this activity. Such 'cooperation' had been carried out since the time of the Comintern and was actually no secret for the international press and public, with the exception of concrete amounts and concrete people, the recipients of assistance. Naturally, this activity must be elucidated now.

"It is not very serious to believe that this activity, which was radically curtailed in the past few years, was a part of the Communist Party's preparations for the putsch—provided that the people who so believe do not pursue their own political ends. In this case, however, such political ends must be exposed as what they really are. As for this aspect of the international activity of the Communist Party, it must be thoroughly analyzed and, most probably, condemned like many other aspects of the party's activity have been. The question is who is to be condemned: the history of this country, the people who shaped this history, or the last General Secretary of the party who put an end to the practice of international financial assistance and the unconstitutional activities of the CPSU."

Newspaper, Magazine Subscription Problems Viewed

PM0512154491 Moscow MOSCOW NEWS in English No. 47, 24 Nov-1 Dec 91 pp 4-5

[Report by Viktor Loshak: "Crisis Faced by the Media"

[Text] Eighteen of the most popular Soviet newspapers have lost 18 million of their readers, and 16 of the best magazines—7 million of their subscribers. These are the first results of the subscription campaign for 1992.

Judging by the circulation of the three most popular publications, an average Soviet family will subscribe to the ARGUMENTY I FAKTY weekly, the newspaper TRUD and the magazine KRESTYANKA—the readers show enviable stability. The findings also reminded publishers that in our country there is a far larger rural population than in other big countries. Publications orientated towards country dwellers such as SELSKAYA NOV, KRESTYANKA and SELSKAYA ZHIZN have demonstrated the most stable results compared with last year, and SELSKAYA ZHIZN even managed (a unique case) to increase its readership. Perhaps the reason for this lies not only in the farmers' unchanged habits and views, but also in the fact that most journalists even if they write about the countryside, live in towns and write for other town-dwellers. What's more, the rapid growth of the newspaper market doesn't seem to have affected the number of rural publications.

The newspaper business was one of the first to get established in the country. Now facing the economic cynicism of the market, like any Soviet industry, newspapers and magazines are going through hard times. MOSCOW NEWS, LITERATURNAYA GAZETA and NOVYY MIR have sustained heavy losses. Even lucky publications such as TRUD and KOMSOMOLSKAYA PRAVDA have lost five million subscribers each.

Now the future of most of them depends on advertising agencies and the holder of newsprint stocks—Russia's Ministry for the Press and Information. We were given a clue to its future behaviour when, as an exception, Russian government publications were granted a fifteen-day prolongation of the subscription term.

For the leaders of Russia, who favour themselves more and more often with democratic privileges, it is worth paying attention not so much to comparative subscription figures (SOVETSKAYA ROSSIYA- 780,000, ROSSIYSKAYA GAZETA-577,000) as to the fact that each such step enables SOVETSKAYA ROSSIYA, GLASNOST and all those behind them to gain a firmer foothold. Little matter that the newspaper which provided an ideological backing for the putsch still has the same editor-in-chief. But on November 16 SOVETSKAYA ROSSIYA frontpaged material by a familiar team of authors, including Kuptsov, Antonovich, Melnikov, Zyuganov and Ilyin. Only Polozkov was missing, but all the others were secretaries of the former Central Committee of the Russian Communist Party.

Together with their newspaper (incidentally, also "independent" and "popular") they have emerged from political reanimation and immediately joined the struggle for restoration of at least some of their political power.

Things are rather vague with the communist press. There is no CPSU Central Committee, but subscription reports still contain the Proceedings of the CPSU Central Committee, with 15,000 subscribers for 1992. It is not clear which party will control the magazine PARTIYNAYA ZHIZN (PARTY LIFE).

Most probably privatization of the circulation network will be completed next year. Suppose Moscow turns over all the news-stands to private businessmen. Formerly political or administrative pressure could be applied to the Soyuzpechat distribution agency (hence the capital's news-stands were full of scrap paper like Domostroy, a patriarchal and authoritarian family setup), whereas today retail sale will wholly depend on demand and the size of the sales discount. It is quite likely that retail sale will be reduced more than subscription and some publishers will suffer losses when the sale of papers by kiosk-keepers and other distributors proves unprofitable.

Of course, Union publications have, to a considerable extent, become hostages to the downfall of the USSR. I am afraid that in Georgia, for example, subscription to MOSCOW NEWS or IZVESTIYA is already a political step, almost a challenge to the regime. Probably Lithuanians have practically the same attitude to subscribers for PRAVDA or KRASNAYA ZVEZDA.

And, of course, subscription figures for just 18 newspapers and 16 magazines cannot give a full picture. The list doesn't contain the NEW TIMES, ROSSIYA, KOMMERSANT, MEGAPOLIS-EXPRESS, and other publications which have won the hearts of readers. But even without them the approaching crisis is quite obvious.

Major Oil Fields Being 'Practically Pillaged'

LD0512164191 Moscow TASS in English 1122 GMT 5 Dec 91

[Text] Moscow December 5 TASS—"The Soviet Union's major oil fields in western Siberia are being practically pillaged today by various commercial organisations with the connivance of the state, including its top leadership. Moreover, we are witnessing the destruction of a whole state sector of economy, the size of which is unprecedented in world history," KOMSOMOLSKAYA PRAVDA says today.

The newspaper recalls the recent sensational statement by Russia's Vice-Premier Yegor Gaydar that licences were issued to God knows whom to export 150 million tonnes of Soviet oil. "This is more than one-third of all the petroleum extracted in western Siberia," the newspaper says. Its cost, estimated at world prices, amounts to 18 billion U.S. dollars.

The Siberian oil "attracts" many commercial organisations and exchanges, "which often do not even know how oil smells", the newspaper stresses. They have begun to seize entire oil fields. According to the newspaper, the state has relinquished 76 oil fields "to bodies with a dubious professional background".

"Only 22 organisations out of the 194, engaged in oil export trade, are linked with its extraction", the newspaper notes. The question arises: "Who is responsible for the issuance of these licences". KOMSOMOLSKAYA PRAVDA believes that state bodies are now involved in oil sales at numerous exchanges.

"Many licences, permitting oil sales, have passed through the presidency," the newspaper claims. "Gorbachev particularly favours the 'Tyumen' joint-stock society, a substantial contribution to the creation of which was made by the CPSU Central Committee". "Directly responsible for the prosperity of this offspring, set up to satisfy party needs", the newspaper says, "is Ivan Silayev, who is now chairman of the Interstate Economic Committee, and former USSR Prime Minister Valentin Pavlov.

Food Output Program Submitted for Examination

PM0512144391 Moscow IZVESTIYA in Russian 2 Dec 91 Union Edition p 2

[Report by G. Alimov: "Entrepreneurs Set Out Their Food Program"]

[Text] At a session of the USSR Presidential Enterprise Council Yuriy Pimoshenko, council member and first deputy chairman of the country's Innovation Council, presented a program for increasing output of the main varieties of foodstuffs based on thorough processing of agricultural raw materials. The program, which is expected to take five years, was approved and submitted to Mikhail Gorbachev for examination.

"In the specialists' opinion, this year's gross agricultural output volume is 4-5 percent less that the 1990 harvest," Yu. Pimoshenko says. "And bearing in mind the reduction in imported raw material, food output is expected to be 8-9 percent less than last year."

The Innovation Council, which pools dozens of enterprises, has many unique technologies at its disposal. In the opinion of Enterprise Council members, its existing achievements and expedited formulation of a number of new decisions would enable the shortage of products like sugar, butter, meat, and milk to be eliminated within a short period of time.

What are we talking about? For example, scientific developments exist that enable us to obtain a product that is 200-300 times sweeter than sugar. In other words, one kg of sweetener substitutes for a minimum of 200 kg of sugar. This new product, if we also bear in mind its significance in preventive medicinal terms, could be used in the confectionery and baking industry instead of sugar.

"Moreover," my interlocutor explains, "the new product is not of chemical origin but is made from natural raw materials. The whole world switched to using these substitutes long ago, and sugar is not used in the food industry."

The proposed program is one of the first acts of the Enterprise Council. The council, which was established under the head of state after the putsch and contains prominent representatives of Soviet business circles, is starting to operate.

Committee for Physical Culture, Sport Disbanded

Olympic Teams in Jeopardy

LD0612042191 Moscow TASS in English 2030 GMT 5 Dec 91

[By TASS correspondent Genrikh Khachkovanyan]

Moscow December 6 TASS— The USSR State Committee for Physical Culture and Sport (Gossport), traditionally an organisation which prepared Soviet athletes for the Olympics, has been closed. A liquidation commission has been created with Leonid Drachevskiy, first deputy chairman of the committee at the head.

"Liquidation of our committee working on the basis of self-financing means a break-up of long-standing ties and destruction of the whole system of preparing sportsmen for the winter and summer Olympics," Drachevsky told TASS.

It also means ceasing to pay salaries to 25,000 athletes who are candidates for the national teams, and 1,200 coaches. Financing and organizing sports competitions, training sports camps in the country and abroad, contacts with sponsors and partners have all been discontinued. Ironically, what is more, it happens soon after the republican sports leaders unanimously came out for participation in the Olympic Games-92 with a united team. However, under such conditions further preparation of our Olympic athletes becomes impossible because of the liquidation of the Union organisation called upon to directly carry out this work, Drachevsky emphasised.

Speculation that an independent Olympic committee could be a successor to the USSR Gossport is absolutely unfounded. The Olympic committee is a public organisation which under the Olympic charter should carry out representative functions at winter and summer games.

Today our athletes are stronger than ever before, Drachevsky stressed. Judging by the results achieved by the Soviet athletes in 1991, they are way ahead of their closest competitors—the German and American teams. If our athletes are not able to take part in the Olympic games, it will damage the prestige of our country, he pointed out.

The USSR Gossport leadership sent a letter today to President Mikhail S. Gorbachev asking him to help retain this organisation or create an interstate sports body to succeed it at least temporarily until the end of the Olympic games.

United Team for Last Time

LD0512163391 Moscow TASS in English 1025 GMT 5 Dec 91

[Text] Bern December 5 TASS—In all probablity the Soviet team will take part in the 1992 Albertville Olympic Games under the red flag for the last time. This was declared by Vitaliy Smirnov, chairman of the National Olympic Committee of the USSR in a meeting of the executive committee of the IOC [International Olympic Committee] in Lausanne.

12 republics of the former Union have already earlier declared about their intention to take part in the forthcoming Olympics as a united team. Athletes from Latvia, Lithuania and Estonia will form their own teams. By the way one more International Federation of Amateur Basketball has accepted the right of the Baltic teams to participate in qualifying matches of the Olympic tournaments.

In Barcelona the 12 republics will in all probablity take part as one team but under different flags.

The IOC has also informed that at present a record number of national Olympic committees, about 60, have declared they are prepared to take part in the Olympic winter games-1992.

TASS Carries Press Review for 5 Dec

LD0512071491 Moscow TASS in English 0722 GMT 5 Dec 91

["Soviet Press Review"—TASS headline]

[Text] Moscow December 5 TASS—Today's [5 December] newspapers comment on a Soviet parliamentary discussion that ended on Wednesday [4 December] with the approval of the draft Union treaty.

Previously, Soviet President Mikhail Gorbachev addressed the nation on television, urging the parliament to approve the document.

"The collapse of statehood can be stopped. The draft Union treaty can provide a foundation for a new building. The majority of Soviet people voted in support of a renovated Union in a nation-wide referendum last March," the newspaper PRAVDA said.

Newspapers carry reports about the 50th anniversary of the counter-offensive launched by the Soviet Army near Moscow in the autumn of 1941.

"The battle buried Hitler's blitzkrieg plan," Soviet Defence Minister Yevgeniy Shaposhnikov said in an order published by Soviet military daily KRASNAYA ZVEZDA.

The minister congratulated Soviet officers and soldiers, as well as war and labour veterans on the anniversary of the offensive, which "buried the myth about the unconquerable Wehrmacht and helped strengthen the anti-Hitler coalition and liberation movement against fascism".

The Soviet parliament issued an appeal to people urging them "to pool their efforts in the name of the future of their children and grandchildren in a renovated society of independent peoples and sovereign states," the newspaper said.

PRAVDA publishes materials about the economic situation in the Soviet Union.

The shortage of food products has totaled 50 billion roubles this year, the newspaper quoted Academician Vladimir Miloserdov as saying.

"The modernisation of the economy is the only way to solve the food problem," he said.

Miloserdov believes the "absence of monopoly" in the country's agriculture creates favourable conditions for market relations in this branch of the national economy. He stressed the need to "immediately remove all the hurdles from the path of food products and create a single economic space in the country".

The RABOCHAYA TRIBUNA newspaper devotes some of its materials to the situation in Armenia.

"Armenia is facing a severe energy crisis. The blockade of the railway and the gas main by Azerbaijan has left the republic without fuel and other necessities. In this situation, the Armenian Government has announced its intention to put into operation an Armenian nuclear power plant and the republican parliament has decided to hold a referendum on this issue," the newspaper said.

The Soviet youth daily KOMSOMOLSKAYA PRAVDA accused newly set up commercial firms of illegal dealings with Soviet oil. It also criticised state bodies for the lack of proper control over these activities.

"This is an unprecedentedly wild campaign to destroy the state sector of the economy," the newspaper said.

The newspaper also publishes a report from the Tyumen region of Siberia, telling about the regional authorities' decision to use economic sanctions against Latvia.

On December 1, the region halted all supplies to Latvia demanding a return to the Russian Republic of Sergey Parfenov, former deputy OMON [Special Purpose Militia Detachment] commander in Riga, arrested by Latvian police.

The region's oilmen and gas industry workers are ready to join the action, the newspaper said.

The ROSSIISKAYA GAZETA said "rumours about the shortage of fuel and coal are groundless," referring to Fedor Miaspov, manager of the Kuzbass International Commodity and Raw Materials Exchange.

He said the majority of coal producing enterprises are unprofitable mostly because of low state prices on coal, which do not cover production expenses.

The NEZAVISIMAYA GAZETA (INDEPENDENT GAZETTE) publishes the article "Shevardnadze's Return as a Symbol of a New Turn in the Soviet Union's Domestic Life" by Vitaliy Tretyakov.

The article said Shevardnadze's return to the post of the Soviet Foreign Minister signifies that "complex and revolutionary processes are going on in the Soviet Union's domestic policy".

Analysing the political situation in the country, Tretyakov said "Shevardnadze has staked on the policy reflecting the reality of interrepublican disintegration".

The newspaper offers the article "President and Independence. What Can We Expect From Leonid Kravchuk".

"Kravchuk won the presidential elections by a convincing margin, but he has no any [as received] structured force to support him," the newspaper said.

The SOVETSKAYA ROSSIYA newspaper begins a series of publications about former Soviet KGB chiefs.

The article "At the Head of KGB" begins a series of materials from the book "Yuriy Andropov. Political Biography" by Soviet historian Roy Medvedev.

RABOCHAYA TRIBUNA continues reports about the search for the "amber room" seized by the Nazis in the closing days of the Second World War.

The newspaper publishes an excerpt from Soviet Defence Minister Yevgeniy Shaposhnikov's appeal to Soviet President Mikhail Gorbachev, telling him the Soviet side has information that the room and other cultural values captured by the Nazis are hidden in former East Germany and other German lands.

"It is necessary to reach an agreement with the German government to begin a search in these places," the newspaper quoted Shaposhnikov as saying.

NEZAVISIMAYA GAZETA, referring to the Latvian association promoting Russia' revival, said about 15,000 Russians will move from Latvia back to Russia within two or three years. The newspaper said "uncertainty caused by Latvian parliamentary discussions of a new law on republican citizenship" force people to leave their homes.

Newspapers also carry materials about the situation in Yugoslavia, the Middle East settlement, the forthcoming second round of talks between Afghan mojahedin and Russian parliamentarians and other international issues.

Press Review for 6 Dec

LD0612071991 Moscow TASS in English 0520 GMT 6 Dec 91

["Soviet Press Review"—TASS headline]

[Text] Moscow December 6 TASS - Social and economic problems dominate Friday [6 December] newspapers. PRAVDA carries an interview with a Soviet parliamentarian Aleksandr Kraiko under the title "Barricade Mentality Will Only Lead to New Barricades", where Kraiko says the crisis in the Soviet Union has reached a dangerous stage, and an urgent Congress of Soviet People's Deputies is necessary to avoid the "progressing collapse of the country".

TRUD publishes an article by Russian Deputy Prime Minister Yegor Gaydar on the problems of economic reform and money circulation reforms.

KRASNAYA ZVEZDA analyst Vladimir Urban discusses privatisation in the Armed Forces and division of responsibility between the Soviet Union and Russia in all the aspects of the Armed Forces activity.

KRASNAYA ZVESDA rejects the rumour that Soviet ships have withdrawn from the Mediterranean Sea, saying "the situation in the region permits us to reduce the number of our fleet but not to liquidate it completely".

SOVETSKAYA ROSSIYA continues a series of articles by the well- known historian Roy Medvedev under the title "On Top of KGB" analysing secret police activity when headed by Yuriy Andropov.

PRAVDA interviews Sakhalin Governor-General Valentin Fedorov who outlines his views on Soviet-Japanese relations and problems of the so-called "northern territories".

RABOCHAYA TRIBUNA discusses the possible location of the "amber room" which was carried from the Soviet Union by fascist troops during the Second World War. The newspaper publishes an interview with an anonymous intelligence official who outlines his version of where the chamber is to be found.

PRAVDA analyst Lev Strzhizhovskiy describes his recent meeting with the former leader of Eastern Germany Erich Honecker. Strzhizhovsky says Honecker's life is closely connected with the history of Soviet support to German resistance during the Second World War as well as with the post-war history. "Our history is rich in tragedies and injustice. Let our former friend live peacefully till the end of his days", the author says.

Economic

INTERFAX Assesses Foreign Debt Situation

OW0612035991 Moscow INTERFAX in English 1214 GMT 5 Dec 91

["Point of View" from the 6 December "Business Weekly": "State Solvency Verging on the Critical"; transmitted via KYODO]

[Text] Vneshekonombank—the central bank of foreign trade of the former USSR—has continued its moratorium (originally announced to last no more than three days) on payments from budget organizations' accounts and from accounts of commercial organizations in debt to foreign banks and companies, whose liabilities the bank did not guarantee.

Vneshekonombank continues to make payments from accounts that do have bank guarantees (letters of credit opened by the bank itself). Furthermore, the moratorium on hard currency transactions does not extend to the deposit and current accounts of commercial organizations that are the clients of Vneshekonombank. Cash payments also continue to be made from private accounts.

Vneshekonombank warned of the difficulties over hard currency inputs a month ago. At the end of November the situation was close to disaster. The republics which at the time pledged their word to the Group of Seven representatives that they would accept "collective responsibility" for the USSR's foreign debt, have in actual fact virtually ceased making hard currency payments to the central debt clearing fund.

For this reason Vneshekonombank representatives said in an interview with INTERFAX on the crisis situation that if a disaster did occur, "it would be the state that would face it, not the bank." Experts believe that if for any reasons a declaration of insolvency should be made, it will be the republics which suffer the greatest damage. It is they that will be declared bankrupt. The point is that Vneshekonombank is the general agent for the central government, authorized to conduct transactions in its name. But, formerly speaking, it is a commercial bank and could renounce its liabilities to the government and hand over to it all documentation relating to the servicing of foreign debts. And it could still continue to provide services for clients from commercial companies and certain state organizations and for private account holders.

On December 3 Vneshekonombank renewed the sale of foreign currency to private individuals (Soviet citizens travelling abroad for state enterprises, or on tourist visas, or on private invitations). Furthermore, it set the highest rates ever in the ruble economic zone for purchase ($1=90) and for sale ($1=99).

This step is probably justified from the point of view of the interests of Vneshekonombank, but it may be presumed that it will only serve to accelerate the devaluation of the ruble against the dollar. The commercial banks and bureau de change will also be forced to raise the buying rate for the dollar so as to compete with Vneshekonombank in the bid to attract clients with hard currency.

It is also quite possible that by fixing such buying and selling rates and thereby significantly increasing the flood of rubles, Vneshekonombank will become far more active on the USSR State Bank Currency Exchange, particularly in respect of the purchase of hard currency. And this will ultimately lead to a further fall in the rate of the ruble.

Foreign Debts Owed to USSR Reviewed

OW0612035791 Moscow INTERFAX in English 1214 GMT 5 Dec 91

[From the 6 December "Business Weekly"; transmitted via KYODO]

[Text] Total indebtedness (including interest) of foreign countries to the Soviet Union arising from its government's credit lines amounted by November 1 this year to 91.6 billion convertible roubles [Rb], of which ex-socialist countries owed Rb46.3 billion and developing countries—Rb45.4 billion.

Soviet economist Aleksandr Shevchenko takes a look at the volume of credits extended by the Soviet Government to foreign countries and the prospects for recovering these debts.

Rb39 billion Comes Due in the Next Five Years

The Soviet Union is entitled to receive over Rb39 billion by 1995, or an average of Rb8 billion a year, in debt repayments. This will be the period when debt repayments by developing countries are to be the largest, running at a rate of about Rb5 billion a year. Economically weakest members of the now-extinct COMECON [Council for Mutual Economic Assistance]—Cuba, Vietnam and Mongolia—as well as North Korea and Laos, owe the Soviet Union Rb40.5 billion, or 44% of the total sum of the debt.

As for East European countries, almost all of them have ceased to be the Soviet Union's debtors over the last year. Experts will have it that the negotiations they have started with this country on the settlement of mutual financial claims, including those related to conversion of the Soviet Union's rouble debts into hard currency and to Soviet troop withdrawals, are likely to result in a "zero option" being adopted.

USSR'S Major Debtors (billions of convertible roubles, with $1 = RbO.57)

Cuba	16.7
Iraq	3.3
Mongolia	10.3
Ethiopia	3.1
Vietnam	10.0
Algeria	2.2
India	9.6
Egypt	1.7
Syria	7.0
Libya	1.6
Afghanistan	4.7
Nicaragua	1.1
Yemen	3.4

REGULAR DEBT REPAYMENTS HAVE BEEN RECEIVED BY THE USSR FROM India, Egypt, Syria, Iran, Pakistan, Bangladesh, Turkey, Indonesia, Sri Lanka, Tunisia, Morocco, Ghana and, until recently, Iraq.

ALONG THOSE FALLING BEHIND WITH DEBT REPAYMENTS are Cuba, Vietnam, Mongolia, Ethiopia, Angola, Yemen, Nicaragua, Mozambique, Guinea, Mali, Sudan, Madagascar, which are pressing for lengthy deferrals of debt repayments or for some or even all of their debts to be written off.

USSR Trying To Get Its Money Back

Efforts to recover the debts due are currently being undertaken by the Soviet Union along two main lines: Firstly, the Soviet Union's financial claims are being put up for sale on secondary credit markets. The second way is the partial repayment by debtor countries of their debts through deliveries of traditional export items to the Soviet Union or in their respective national currencies, with the funds so collected to be used by the Soviet Union to defray its expenses incurred in the debtor countries (e.g., in the maintenance of Soviet missions there) or to make investments in their economies.

Soviet Credits to Foreign Countries as of November 1, 1991 (billions of convertible roubles)

	Granted	Drawn Up	Extinguished	
			Principal	Interest
Former Socialist Countries	64.152	54.487	6.512	3.260
Developing Countries	86.941	66.355	19.589	4.543
Total	151.093	120.842	26.101	7.803

Debts Arising From Soviet Credits

	Principal	Interest	Total
Former Socialist Countries	44.031	2.242	46.273
Developing Countries	43.200	2.173	45.373
Total	87.231	4.415	91.646

Faced with growing debt repayment problems, international currency markets see credit organisations in various countries increase their involvement in exchanges of credit obligations, as well as in the purchase and sale of debts at a discount, the latter kind of operations becoming known in international banking practice as "debt swaps."

Around three years ago, Soviet creditors also began using these methods. Thus, one of the objectives of the Sovfintrade joint stock company, set up in September 1988, is to carry out operations aimed at the realization on secondary markets of the debts of foreign countries to the Soviet Union.

Soviet Union Planning To Sell Some of Its Debts Receivable to Foreign Credit Institutions

Thus, ITF of Switzerland has signalled its readiness to assume Soviet debts to Yugoslavia and Czechoslovakia, provided it can collect Algeria's debts to the Soviet Union. Experts estimate that under this arrangement the Soviet Union would receive 90% of the amount of debt owed.

Similarly, the Bulgarian firm ANIS has offered assistance in collecting Libya's debts to the USSR through the intermediation of the Swiss financial company Pierfranchesco.

Capitalization of Debts Through Their Conversion Into Investments in Debtor Countries

This method of debt extinguishment enables debtor nations to reduce their credit liabilities and attract additional foreign capital into their economies. Work is currently under way on applying this approach to the settlement of debts of Angola, Afghanistan and Yemen.

The problem of Mozambique's debt is likely to be resolved shortly. Under a trilateral agreement signed on June 7, 1991, by the USSR, Mozambique and the Swiss firm ITF, the latter would acquire the Soviet Union's claims to Mozambique's debts in exchange for essential goods and hard currency with a total worth of over $900 million, which is equivalent to 39% of the amount owed. The debts receivable ceded by the USSR to ITF would be converted into investment projects in Mozambique. Mozambique's consent to take part in this financial transaction is conditional on deliveries of diesel fuel from the USSR on a barter basis in 1991-1993.

It is far from always, however, that such opportunities present themselves. Mongolia and Vietnam, for example, have reacted rather coolly to a suggestion by Moscow that their debts to the Soviet Union be reinvested into their economies. Negotiations with Cuba over a similar range of issues are also in the offing, say experts.

Debt Extinguishment Through Deliveries of Goods

The third way of reducing the level of indebtedness of foreign countries to the Soviet Union is through boosting the volumes of imports of goods from those countries which have contracted the largest debts to the USSR. This is the main debt extinguishment mechanism for such countries as Syria, Algeria, Ethiopia, Madagascar and Peru. To this end, the following goods are currently being supplied in addition to planned imports: oil from Libya and Iraq, cotton and cotton yarn from Syria, tea and coffee from India, Ethiopia, Madagascar and Peru, as well as a variety of consumer goods, medicines, foodstuffs and medical equipment.

This year's imports under debt extinguishment programmes are expected to total over 3 billion convertible roubles. Under a recently concluded deal with Laos, it will discharge its debt to the Soviet Union through exports of tin concentrate and planed boards worth $5.8 million.

In the course of debt extinguishment through deliveries of goods, the Soviet Union arranges for trilateral deals, under which goods it does not need are re-exported to third countries.

Debtor Countries Prepared to Defray Soviet Expenses Incurred in Operation of Foreign Missions

Mali, for example, has expressed readiness to finance some of the operating expenses of Soviet organizations in Bamako, including the fuel costs of Aeroflot aircraft. Mali also consented to convert some of its debt into the capital of joint ventures on its territory.

Yavlinskiy Interviewed on Gold Reserves

PM0512162691 Moscow MOSCOW NEWS in English No. 46, 17-24 Nov 91 p 9

[Interview with Grigoriy Yavlinskiy by Vladimir Gurevich; place and date not given; accompanied by statistical tables: "We Need To Know the Truth About Our Gold Reserves"]

[Text] MN [MOSCOW NEWS]: Since you estimated the country's gold reserves at 240 tons by the end of this year passions have been running high. Some people say you oughtn't to have named a figure so modest that it makes us insolvent in the eyes of Western partners. Others believe the figure has been deliberately reduced in order to boost gold prices on the world market and produce better profits from gold exports.

Yavlinskiy: The situation is too serious and the gold reserve too small to play games with prices. In all civilized countries information about national gold reserves is open to all. In this country it is top secret. Of course, there can be no control over gold output, export, reserves and disposal if we are all in the dark about the actual extent of our reserves. We must make the available information public and exercise strict control.

Secondly, how can one hope do serious business with the West if one begins by deliberately distorting statistics? No normal cooperation, including our admission to the International Monetary Fund, is possible without disclosing basic data about our economy. Virtually all other countries exchange such data. And once we publish the information abroad, why should we keep it secret from our countrymen? That's why I publicly named the figures in question.

MN: Who endorsed their publication?

Yavlinskiy: Gorbachev.

MN: The secret is out, but the argument goes on... The USSR State Bank has mentioned a higher figure. They say the gold reserves are over 370 tons.

Yavlinskiy: Before WWII the USSR State Bank accumulated a special reserve of over 100 tons. But it's not in state vaults. Consequently, either this is a case of obsolete information, or the State Bank has lent the gold to the Finance Ministry—which it is fully entitled to do—for the purpose of consumption and export, to be repaid in due course. Whatever the circumstances, we should proceed from the state's actual possessions.

MN: Nikolay Ryzhkov has come up with his own version. He said that by the end of 1986 our gold reserves had come to 587 tons. By early 1990 it was 784 tons. What can you say about this?

Yavlinskiy: It's correct. But by the time he left the post of Prime Minister on December 25, 1990, there were only 484.6 tons of gold left. Domestic consumption and above all gold export were such that the gold reserve diminished. Gold diggers could not compensate for the decrease.

MN: But Ryzhkov said that sale of only 250 tons was endorsed in 1990, which he argued was half the amount mentioned by Yavlinskiy.

Yavlinskiy: Indeed, "decisions were made" in 1990 to export 250 tons. However, there were more decisions to sell gold or use it as collateral the previous year, although these were only executed in 1990. As a result, more than 470 tons of gold were exported in 1990. What matters is the end result, not the date of the decision. All in all, during Ryzhkov's term of office Gokhran (the agency responsible for the safe-keeping of national gold reserves—Ed.) delivered over 900 tons of gold for export. This year gold export has so far amounted to over 300 tons.

I can only add that among Ryzhkov's decisions concerning gold there were three orders (involving a total of 150 tons) to use gold as collateral, barring ultimate sale. Apparently, the intention was to buy it back. However, Prime Minister Pavlov's approach was different. As we were preparing the 500-Day Programme last autumn, we heard rumours of increasing Soviet gold exports and the reduction of Soviet assets abroad. Even then one could sense a real hard- currency crisis in the making, but we were unable to get accurate information from anyone.

MN: Today you have information, but it is not necessarily accurate. True, your estimate is regarded as accurate by the London HQ of the World Gold Council. A short time ago The Wall Street Journal remarked that the world gold market apparently believed Yavlinskiy, too. Do you have confidence in your own figures?

Yavlinskiy: There are interconnected data about output, consumption and export of gold.

The statistics available to us appear to be correct, unfortunately. Even if one admits discrepancies they cannot be large enough to really affect the economy. Of course, I didn't go down to the store rooms and actually weigh the gold. We received official data from those responsible.

MN: Don't you feel that this special concern for gold has a somewhat mystical quality? After all, the total yearly output of gold does not amount to much. A drop in national oil output, for example, is far more crucial for our economy than depletion of gold reserves.

Yavlinskiy: Of course oil, gas and other mineral resources outweigh gold reserves in terms of the national economy as a whole. Nevertheless, we all counted on much larger reserves. We have to go by the assumption that in the transition to a market economy the state must bear the brunt and absorb the shock of change with all its reserves. A major gold reserve could come in handy, no doubt.

MN: What if such major reserves do exist?

Yavlinskiy: ...And we're lucky enough to find them? Well, even if a discrepancy in our estimates amounts to a few dozen tons, it must be subject to serious investigation. It would mean there are not one but several "treasure troves" we know nothing about. Cheating about one cache might mean we are being cheated of many more.

If that is so I'm afraid we would once again find ourselves adrift, and each subsequent figure would be suspect. In any case, proof that any of the published data is untrue will necessitate special investigation. Today we have to survive on what we know we have, not on hypotheses. [Yavlinskiy ends]

Revelation

Gold Consumption, in percent of 1991 plan

Russia	56.3	Kyrghyzstan	0.16
Ukraine	11.2	Latvia	2.0
Belorussia	11.9	Lithuania	0.21

Revelation
Gold Consumption, in percent of 1991 plan (Continued)

Kazakhstan	0.4	Moldova	1.42
Uzbekistan	5.1	Tajikistan	0.08
Azerbaijan	3.1	Turkmenia	0.04
Armenia	6.6	Estonia	0.16
Georgia	1.3		

Note: 96.07 percent of the gold is consumed by the industries controlled by the USSR ministries.

Revelation
Gold Production, in percent of 1991 plan

Russia	66.7
Uzbekistan	25.2
Kazakhstan	5.3
Tajikistan	1.1
Kyrghyzstan	1.0
Armenia	0.5
Georgia	0.2

Revelation
USSR National Gold Reserve (in tons)

Year	1953	1984	1985	1986	1987
Assets by January 1	2,049.8	577.2	719.5	587.4	680.9
Annual accretion	117.1	251.8	264.0	271.3	260.0
Industrial consumption	5.2	99.4	99.1	102.8	107.6
Export	148.7	10.1	297.0	75.0	48.0
Year	**1988**	**1989**	**1990**	**1991**	**1992**
Assets by January 1	785.3	850.4	784.0	484.6	240.0*
Annual accretion	277.6	304.0	302.0	230.0*	—
Industrial consumption	114.6	126.6	130.8	112.0*	—
Export	96.0	245.5	474.6	319.1	—

*estimated amount by October, 1991

Source of Data: The USSR Ministry of Finance Chief Department for Control of Precious Metals and Stones.

Gold Administration Chief on Gold Reserves

PM0512163091 Moscow MOSCOW NEWS in English No. 46, 17-24 Nov 91 p 9

[Interview with Soviet Gold Administration Director Valeriy Rudyakov by "V.L."; place and date not given: "Valeriy Rudyakov: '240 Tons—That's News to Me'"—first paragraph is introduction]

[Text] An interview with the director of the USSR Glavalmazzoloto Soviet Gold Administration

[V.L.] You have been managing gold extraction in this country for eight years now. Don't you know the extent of the USSR national gold reserve yet?

[Rudyakov] If Yavlinskiy is right in saying there are 240 tons in the USSR national gold reserve, that's news to me. I always believed in the Western estimate of 1,500-2,000 tons. After all, my department's responsibility is control of gold production, not its sale or safe-keeping. The Glavalmazzoloto is simultaneously the largest buyer of gold from the state and consumes up to 40 per cent of gold production. Two-thirds of our purchase goes for industries, the remaining one-third to jewellers.

[V.L.] But if you don't know the extent of the gold reserve, who does? Are there many people initiated in the secret?

[Rudyalov] Look here (he produces a 100-rouble note). It says: "Bank-notes are guaranteed by gold, other precious metals and similar assets of the USSR State Bank." But this is a lie. The State Bank has no gold whatsoever in its vaults. The entire civilized world keeps its gold in reserve banks and the amount is known nationwide. I can't imagine Bush or Mitterrand deciding to see or give away even an ounce of that gold. In this country the system of gold purchase and safe-keeping is a secret. The gold is preserved in the State Depository controlled by the Ministry of Finance. But the Minister of Finance cannot control the gold. The shroud of secrecy is designed to restrict control to a group of three or four persons. Even recently all decisions about operations with gold were taken jointly by the Chairman of the Council of Ministers and the Politburo. I don't know about the current practice. However, in the past vast capital outside the state budget could be formed through manipulation of the gold alone. Few people know that the state used to sell its gold at three different prices: the military-industrial complex paid very little indeed, other industries paid a higher price, the jewellers paid most of all.

[V.L.] Do you believe that the CPSU had its own gold reserve or has at least sold gold and kept the proceeds?

[Rudyakov] No, I don't believe that. They had simpler ways to line their pockets.

[V.L.] Some experts believe that developing so far unexploited gold fields jointly with Western companies could be a more attractive alternative to sale of the national gold reserve.

[Rudyakov] As a matter of fact, the USSR has already published information about certain gold fields in Yakutia, Magadan Region, Kyrghyzstan, and Uzbekistan which was previously classified.

[V.L.] What do you mean?

[Rudyakov] We made public their exact location and the gold content of the ore and the goldfield. For example, one goldfield in the north can yield at least 350 tons a year. We are looking for foreign partners to develop these goldfields.

[V.L.] As the Republics promise to switch over to their own currencies they must hoard their own gold reserves. But will they be able to fulfil the task if Russia chooses not to share the treasures?

[Rudyakov] To have their own gold reserve and their own centralized banking system is a natural desire. However, only five of the Republics mine gold, and only Russia and Uzbekistan—and perhaps Kazakhstan—can provide for their industries' needs themselves, never mind the gold reserve. But where will the Ukraine get the gold from, if its jewellers alone need 6.5 tons a year? The existing pattern doesn't take into account interrepublican borders.

Bank Official Comments on Ruble Conversion

LD0612060391 Moscow TASS in English 1853 GMT 5 Dec 91

[Text] Moscow December 5 TASS—Oleg Mozhaiskov, one of the leading staff members of the State Bank of the USSR (Gosbank), has cautioned against a precipitate introduction of the convertibility of the rouble.

In an interview with VNESHNYAYA TORGOVLY SSSR (Foreign Trade) journal, he emphasised that such a measure would bring about a collapse of the entire economic system, for the rouble rate would plummet to disrupt all value ratios in the economy, bar the way to industrial imports, plunge money circulation into the abyss of an inflation-ridden chaos and would entail bankruptcies and unemployment.

The Soviet banker believes that it is not clear up to now what exactly will be converted: a single currency of the entire renewed union, the currency of each individual republic issued within the framework of a coordinated emission, or utterly independent national currencies.

Mozhaiskov is of the opinion that to press for convertibility within the framework of a common currency and a single economic space would be more advantageous than each individual republic's efforts in this respect.

The main economic condition for the functioning of a currency market is primarily the availability of currency which could be bought and sold.

At present great efforts are being made to create and develop an appropriate infrastructure.

Already about 200 banks of the country have licensed to transact currency operations, he said.

A currency exchange has been set up at Gosbank to optimise techniques of currency operations.

The banker is convinced that the most essential thing in moving to an internal convertibility is a political will to do that, i.e., providing currency which can be bought and sold.

He said the central authority agreed to this major condition in summer this year. At present, considering the current situation, it is up to republics to decide.

Mozhaiskov pointed out that the Soviet Union punctually meets its commitments concerning foreign debt repayment, although with difficulty.

As far as commercial organisations are concerned, their overdue debt steadily keeps at the level of 3-4 billion U.S dollars over the past 1.5-2 years.

The banker is not supportive of projects aimed at dividing the country's foreign debt among republics, regarding as utopia a desire of each republic independently to repay its share of the debt.

The repayment of Soviet debts should be left in the hands of the central authority, Mozhaiskov said.

International Rail Traffic 'Could End' 1 Jan

OW0512043991 Moscow INTERFAX in English 2000 GMT 4 Dec 91

[From the 5 December "Soviet Business Report"; transmitted via KYODO]

[Text] The regular movement of passenger rail traffic abroad could end on January 1, 1992, if the USSR Ministry of Railways does not receive funds for the financing of such traffic. This was announced at a press conference at the ministry on Wednesday. At the present time the Soviet Railways owe their Western partners a debt of $83 million.

On December 1 the sale of train tickets for rubles for private travel abroad was ended. The sale of this kind of ticket for hard currency was stopped earlier.

According to a representative of the USSR Ministry of Railways, even if regular rail travel is halted, the sale of rail tickets outside the USSR will still continue, and special trains will be put on for passengers who have bought them.

Agriculture

Deputy Chairman Akulinin on U.S. Food Aid

924A0277A Moscow SELSKAYA ZHIZN in Russian 30 Nov 91 p 1

[Interview with food official Viktor Akulinin by an unattributed TASS correspondent: "What We Are Importing for Credit"]

[Text] As is known, the United States has granted us credit for food purchases on the order of $1.25 billion.

How, specifically, will these substantial resources be used, precisely which types of food will be imported, what are the specific features of the use of the present loans?

A TASS correspondent put these questions to Viktor Akulinin, first deputy chairman of the USSR State Committee for Purchases of Food Resources.

"Today's economic situation is such that we cannot give up large- scale food purchases overseas," he said.

"A food committee, which includes representatives of the 12 republics at the level of deputy head of government or minister in charge of agro-industrial production, has been created by order of the president of the USSR. The former will determine the commodity content of the credit and the list of the specific types of food which the republics need and are already involved in distribution of the food.

"Proceeding from the sum total of U.S. credit of $1.25 billion, the republics have concertedly resolved to channel two-thirds of these resources into the purchase of food and forage wheat and corn grain and with the amount remaining to acquire soybean meal, soybeans and certain types of raw material for food. The food thus purchased will be distributed among the republics on the basis of the share allotted them in accordance with the agreement, that is, according to their requirements.

"The U.S. Administration has provided guarantees for the full extent of the loan, which has been granted not for one year, as previously, but for three. Work is already being performed on food purchases. And, what is more, $500,000 will be spent in the next few days."

Pesticide Shortfall Reason for Poor Harvest

OW0312035291 Moscow INTERFAX in English 1930 GMT 2 Dec 91

[From the "Soviet Business Report"; transmitted via KYODO]

[Text] It was in 1985-86 that the USSR purchased the largest volume of pesticides, with orders amounting to $700 mn [million] as well as 200 mn transferable rubles (used in trade with the former socialist countries).

In subsequent years, however, purchases started to drop sharply. In 1991 the USSR had to greatly cut back on imports from the former socialist countries after trade with the area was put on a hard currency basis as of January 1.

Fertilizer Imports

	1987	1988	1989	1990	1991
$ mn	510	395	190	250	340

The figures of 1987-90 do not include imports from the former socialist countries in transferable rubles.

In 1991 all purchases of pesticides by the USSR were already only on the basis of credits which were to be repaid in 1992. The total volume of imports, in comparison with 1990, dropped by a third and the government could only satisfy one half of the orders from kolkhozes and sovkhozes for imported chemical pesticides.

Still another important factor is that financial and organizational difficulties in the USSR precluded the signing of contracts in the autumn of the preceeding year, as was normal practice. Contracts for supplies to be furnished in 1991 were thus only signed in April of that year. As a result, more than half the total volume of pesticides ordered arrived too late to be of use.

Experts say that the shortage of chemical pesticides in the spring and summer of 1991 was one of the causes of the poor harvest.

More information on the subject you can find in Interfax FOOD & AGRICULTURE REPORT # 4 next week.

Scientific

Cosmos-2173 Successfully Launched 27 Nov

LD2711174791 Moscow TASS International Service in Russian 1443 GMT 27 Nov 91

[Text] Moscow, 27 Nov (TASS)—Flight control center reports that another artificial Earth satellite, Cosmos-2173, was launched today in the Soviet Union by a Cosmos carrier rocket. The satellite carries scientific apparatus for continuing space research.

The satellite has been placed in an orbit with the following parameters:

initial period of revolution, 104.8 minutes;

maximum distance from the earth's surface (apogee), 1030 km;

minimum distance from the earth's surface (perigee), 965 km;

orbital inclination, 82.9 degrees.

Besides scientific apparatus, the satellite carries a radio system for the precise measurement of orbital elements and a radiotelemetry system for transmitting to Earth data about the work of the instruments and scientific apparatus.

The apparatus on board the satellite is working normally.

The coordinating and computing center is processing the incoming information.

Military

Army 'Appears To Be Melting', 'May Dissolve'

PM0512150791 Moscow KOMSOMOLSKAYA PRAVDA in Russian 4 Dec 91 p 1

[Report by A. Kraynin: "The Soviet Army Appears To Be Melting and May Dissolve Completely By Spring"]

[Text] According to a recent statement by Chechen Republic President Dzhokhar Dudayev, Chechnya's Armed Forces must receive their share of the all-Union Army's property. Dudayev explained this by saying that 70 percent of the republic's potential was channeled into the needs of the military-industrial complex. General Dudayev gave assurances that he would not resort to force and intends to resolve all "military" questions within the framework of the treaty with the Union.

The Dnestr Republic has followed Chechnya. The Dnestr region authorities have adopted a decree according to which all units of the Soviet Army and USSR MVD [Ministry of Internal Affairs] Internal Troops on the territory of this republic, which is not recognized by anybody as yet, are being transferred under republic jurisdiction.

The Dnestr region authorities are explaining their decision as a response to a similar decision by Moldova. According to the leadership of this republic, officers' assemblies have taken place in the units stationed in the Dnestr region, where an appeal to local organs of power was adopted, asking them to take military units under their jurisdiction.

And Georgia seems to have moved from making statements to action. The murder of an unarmed officer has been followed by another attack. This time it was against a Kamaz truck carrying three people. Using automatic weapons, the criminals opened fire virtually in the town center.

I fear that we do not have long to wait for reciprocal steps by servicemen in the Transcaucasus Military District. And what then?

Infected by the virus of neo-bolshevism, the presidents of all and sundry republics are dividing up the last thing that was called Soviet—the Army. No one wants to make calculations, no one takes the trouble to ponder what will happen when we have divided it. Following the referendum, Ukraine is trying the proud title of a nuclear power for size. But if the world community recognizes Ukraine as a nuclear power, then nothing will stop Iraq, Israel, and the Republic of South Africa. What gloomy prospects, gentlemen.

Northern Fleet Size Significantly Reduced

LD0512162991 Moscow Radio Rossii Network in Russian 2200 GMT 4 Dec 91

[Text] The RUSSIAN INFORMATION AGENCY has learned at the USSR Defense Ministry that last year the country's Northern Fleet was reduced by 18 ships and 25 submarines. According to a representative at the Defense Ministry press center, over this period not a single ship has been given to the Northern Fleet except one aircraft-carrying cruiser. This cruiser is not of an offensive type and is not designed for attack aviation. It only has antiaircraft defenses.

Conclusions Drawn Based on Military Movements

PM0512152191 Moscow KOMSOMOLSKAYA PRAVDA in Russian 4 Dec 91 p 1

[Report by O. Shapovalov: "Cossack Forces Poised"]

[Text] Colonel General M. Burlakov, commander of the Soviet Army Western Group of Forces billetted in eastern Germany, flew into Stavropol yesterday on a military transport aircraft. He went straight from the airport to a meeting with Ye. Kuznetsov, head of the kray administration. As has become known, one of the main topics at the unofficial talks will be the question of the possibility of constructing housing in Stavropol Kray for servicemen leaving Germany.

However, it must be borne in mind that at the same time the active construction of housing for servicemen from the Transcaucasus Military District is also going on in Stavropol Kray, which already has a high density of Cossack formations (as KOMSOMOLSKAYA PRAVDA reported on 22 November). In this connection, it is believed in Stavropol that the evacuation of personnel and equipment from the Transcaucasus Military District will start soon. Such a development of events can only mean one thing—the Soviet Army is leaving Georgia, Armenia, and Azerbaijan, and that means that Moscow is prepared to recognize the state independence of the Transcaucasus republics.

In the event of the successful conclusion of talks between the commander of the Western Group of Forces and the leadership of Stavropol Kray, the prediction that a "powerful Cossack military fist" is forming in the south of Russia to protect Russia's southern borders can only be confirmed.

Pension Payments To Continue in Baltics

LD0512150791 Riga Radio Riga Network in Latvian 0530 GMT 4 Dec 91

[Text] The USSR Defense Ministry has announced at a briefing in Moscow, that it will continue to pay pensions from its budget to those officers who live in Latvia, Lithuania, and Estonia after retirement. After the introduction of new currencies in the Baltic states, pensions will be paid in the currencies of those countries in which the retired officers live.

Baltic Affairs

Leaders Arrive in Paris To Sign Charter

LD0612072791 Moscow TASS in English 2008 GMT 5 Dec 91

[By correspondent Igor Kuleshov]

[Text] Paris December 5 TASS—The heads of state of Lithuania and Estonia, Vytautas Landsbergis and Arnold Ruutel, arrived in Paris today to sign the Paris Charter for a New Europe. Chairman of the Latvian Supreme Council Anatoljis Gorbunovs will join them Friday [6 December] morning.

The ceremony of the signing to be held in the Elysee Palace will be attended by French President Francois Mitterrand and will be followed by a ceremonial luncheon hosted by Mitterrand.

A ceremony to mark the opening of temporary embassies of the three Baltic republics will be held tomorrow. French Foreign Minister Roland Dumas and the foreign ministers of Lithuania, Latvia and Estonia will participate.

The Paris Charter for a New Europe was signed at the summit of the participating countries in the Conference on Security and Cooperation in Europe in Paris in November 1990.

Officers Assure No Nuclear Arms at Garrison

OW0512183791 Moscow BALTFAX in English 1525 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] According to the newspaper "Postimees", officers of the Tartu military garrison have issued a statement assuring residents of Estonia that there is no nuclear weapons on its territory.

The statement says allegations of Estonian deputy Yuriy Liim that the garrison has nuclear weapons do not correspond with reality.

The garrison's Command is to hold a news conference for Estonian and foreign journalists on the issue December 8th.

State Service Call-Up Meets Opposition

OW0612094091 Moscow BALTFAX in English 2000 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] A call-up for the state service is going on in Estonia. Acting Chief of Staff of Estonia Ants Laaneots told BF [BALTFAX] that at the first stage of the call-up about 30% of young men refused to go to serve.

Latvia

Minister, Soviet Generals Discuss Withdrawal

LD0612043191 Riga Radio Riga Network in Latvian 0900 GMT 5 Dec 91

[Statement by Latvian Defense Minister Talavs Jundzis on "unscheduled" meeting with "high-ranking representatives of the USSR Ministry of Defense" on 5 December 1991; from the "Daily Review" program—recorded]

[Text] I met today with the commander in chief of the Land Forces of the USSR, the deputy commander of the USSR General Staff, and the commander of the Northwestern Military Group. Yes, this meeting had not been planned in advance, I must say. But, in connection with the visit by these senior men to Latvia, they decided to visit me, too, as the newly elected defense minister, to get to know me, as they emphasized. Getting acquainted is a good thing, of course, but our talk touched on specific problems. I raised the question of the various problems that worry us in Latvia, specifically those associated with the withdrawal of troops. In the first place, we spoke about how the Baltic Military District Headquarters has been abolished and that the Northwestern Military Group's must now be relocated to Adazi and on the decree of the president.

We are uneasy about the timetable offered us by the military leaders, which is by the end of next year. We believe that these premises, which belonged to the Latvian War Ministry once, must be vacated far sooner. We also spoke about other cultural sites, especially in Riga, which do not have any strategic significance for the Soviet Army and which could be vacated much faster.

We also spoke about Liepaja Harbor, and the military personages promised that they would delve into this question, and, anyway, that they would strive to settle this question so that this port, too, could be used for civilian purposes.

We then raised the question of the land tax. We have adopted a law that all organizations and enterprises must pay a land tax, except the Army. This question also was recognized in the generals' notes, although the Army made no promise about whether this tax will be paid.

We recalled that a meeting was held in Moscow in September between our government's representatives and the USSR Defense Minister Shaposhnikov and that a protocol was signed there. Unfortunately, however, some points of that protocol have not been fulfilled. For example, the USSR side has not shown any initiative or readiness to form a Latvian and USSR mixed commission provided in this protocol on (?vacating) army sites. Also unfulfilled is the point in the protocol on the handing over of forests currently at the disposal of the USSR Army located on Latvian territory to the appropriate Forestry Ministry of our government. We agreed that, yes, there would be new talks.

This has been the first time that I have had such a meeting with representatives of the USSR Army at such a high level, the first time that interest has been shown in Latvia's security as an independent state as well. On the one hand, it was gratifying to hear the proposal, to hear the commander-in-chief of the USSR Land Forces himself express readiness, or more exactly a proposal, to offer assistance in the defense and security of control of our state's air borders. He expressed his readiness to give (?advice); discussions here in Latvia on this question would be necessary. Such a (?tone) at the talks is, at least, pleasing to me. We agreed that in 10 days we will present in written form all the proposals made during the talks, so that they will not just remain (?notes). After that we will organize the next meeting, where we also will settle how these proposals can be discussed specifically and what is to be done about them.

In turn, the USSR generals promised me that they, too, can present proposals connected with ensuring the rights of soldiers of the Soviet Army, officers' rights, with fulfilling various requests, shall we say. We gave an understanding that we also are prepared to examine these proposals.

Government Views Fate of Soviet Army Property

*LD0512225191 Riga Radio Riga Network
in Latvian 0530 GMT 5 Dec 91*

[Text] At a sitting of the republican government, a decision was made on the issue of determining the status of USSR military housing resources and the arrangements for allocating housing for soldiers and officers retiring from the Army. It was decided that the use and release of these residences is to be settled in talks between the Republic of Latvia and the USSR. In taking over Army property in accordance with the resolution by the Latvian Supreme Council, Army sites will continue to be divided among various firms and cooperatives (?as suitable). But it is intended that [word indistinct] institutions will be invited, so that state property is not allowed [word indistinct] in an illegal way.

In Riga alone, more than 200 former military sites and buildings are due to be taken over. As Talvas Jundzis, the Latvian minister of defense, reports, work is still continuing at the Defense Council Coordination Centre, which is concerned with the Latvian defense force, the Home Guard of the Ministry of Internal Affairs, the Guard of the Supreme Council, and the Border Guards, and the coordination of these forces in the event that the [word indistinct] hour arrives and the many warnings of a possible new coup are fulfilled. The situation in neighboring states is so unstable that we have to be prepared for anything, says Talavs Jundzis. He will also meet with the commander of the Northwestern Military Group, the former Baltic Military Distict, Valeriy Mironov, who has promised to move the headquarters of the military group from Riga to Adazi. That will take place no earlier than the end of next year.

Negotiator on Economic Talks With Russia

*LD0512224291 Riga Radio Riga Network
in Latvian 0530 GMT 5 Dec 91*

[Excerpt] Just returned from Moscow is a representative of the Latvian Government, who was seeking ways of economic cooperation with the Russian Federation. More about this from Andris Gutmanis, the deputy minister of economic reform of the Republic of Latvia:

[Gutmanis] This time, under Mr. Kalnins' leadership, Mr.(?Kirks), Mr. Blumbergs, and myself travelled to Moscow, having the opportunity to take part in a meeting with Mr. Gavrilov. Mr. Gavrilov is Mr. Silayev's deputy. We were worried about the relations between supplies this year. If I describe the situation briefly, we have supplied the republics of the former empire with (?goods worth) more than a 1 billion rubles more than we have received. Even though our supplies of gas and grain from Russia, the former USSR, could be balanced, that could not be said for petroleum products, the supply of which has been virtually nil since October. We talked about this question on that plane, fully openly. Whether this is a policy from above—but that is so-called economic war—or this is a situation linked to some extent with the administrative crisis, with the administration over enterprises having been lost, and at the enterprises a catastrophic drop in production is occurring—well, they told us there is no economic war. I think that difficulties of this kind will continue for us, and there must be an emphasis on direct links between manufacturers. We must form our economic relations with Russia through property relations. It seems worthwhile to me to review such directions as Latvian investments in the Tyumen petroleum deposits, so we can be proprietors; we would get guarantees for our activity. All this talk that governments are not stable, and all these treaties, intergovernmental treaties, they have no guarantees. I'll give you an example: Mr. Savisaar, the Estonian prime minister, signed a declaration with the new government of Russia after the coup, but Estonia is in the same situation as we are today. [passage omitted]

Finance Minister Notes Organizational Changes

*LD0612073691 Riga Radio Riga Network
in Latvian 1750 GMT 5 Dec 91*

[Text] Latvia's finance minister, Elmars Silins, today called in heads of the structural units of his ministry in order to inform about transformations in the Finance Ministry's structure and to announce that the number of staff units of the ministry will be reduced.

Uldis Osis has been confirmed as the first deputy of the Finance Ministry. He will be in charge of the external economic contacts.

The finance minister will also have two deputies, Valentina Andrejeva, who will deal with perfecting the finance mechanism and with financing the national economy, and Jurijs Pupcenoks, who will deal with budget questions.

A new post has been established, the state secretary of the Finance Ministry. This post will be occupied by the former first deputy of the finance minister, Janis Blekte.

Furthermore Elmars Silins has announced to his subordinates that all the Finance Ministry's workers will receive, in connection with the reorganization, a notification of dismissal from work.

Lithuania

Landsbergis Calls On West for Support

AU0512171391 Hamburg DPA in German
1559 GMT 5 Dec 91

[Text] Vilnius (DPA)—Lithuanian President Vytautas Landsbergis has emphatically called on the West to support his country. In an interview with DPA in Vilnius on 5 December, Landsbergis said that democracy and independence in his country continue to be in danger. "The danger is not yet over. There are forces in the underground and also forces with fascist tendencies that want to turn the clock back."

The West could contribute to the stability of the young democracy in Lithuania through active help for his country and through moral support. "My message is: Do not give up the will for cooperation. There must be more contacts in business and in culture."

In the president's view, the Soviet Armed Forces, tens of thousands of which are stationed in Vilnius, do not pose an immediate danger to his country. Landsbergis resides in a building that is heavily guarded, cordoned off by antitank barriers and barricaded with sand bags. "As long as the last Soviet soldier has not left Vilnius, we will not remove the barricades," Landsbergis said.

Concerning economic cooperation with the West, Landsbergis wants, above all, investments for tourism and for small and subcontractor businesses. "We have well-trained skilled workers, we have raw materials. Those who invest here are contributing to security and stability in this country," the president said. His country is also willing to expand infrastructure in such a way that Lithuania can become an important transit country between northern and western Europe.

Landsbergis Begins Visit to France

OW0512141391 Moscow BALTFAX in English
1115 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] The chairman of the Lithuanian parliament Vytautas Landsbergis has left for a visit to France. Upon his arrival in Paris he met the chairman of the National Assembly Loran Fabius. This was announced by the press secretary of the Lithuanian parliament Audrius Azubalis.

On Friday [6 December] Landsbergis will attend the ceremony of opening the Lithuanian embassy in France and sign the Paris Charter for a New Europe.

On Saturday [7 December] he is leaving for Strasburg where he will address the European Parliament on Sunday [8 December] at 10:00.

Answering newsmen's questions at a Thursday [5 December] briefing the press secretary said that talks between Lithuania and the USSR are not going on so far. He stressed that the Lithuanian side is getting information about the change of the leaders of Soviet delegations to the talks with the Baltic states. This was also reported to a BF [BALTFAX] correspondent by the chairman of the Estonian parliament Arnold Ruutel.

To date the Soviet delegations to the talks with Lithuania, Latvia and Estonia are led by correspondingly Eduard Shevardnadze, Aleksander Yakovlev and Anatoliy Sobchak.

Law Lays Claim to Soviet Army Property

PM0512134991 Moscow KRASNAYA ZVEZDA
in Russian 4 Dec 91 First Edition p 11

[By correspondent K. Uspila: "Who Is Owner of Soviet Army's Property?"]

[Text] Vilnius—"All immovable property in the possession of the Soviet Army on Lithuanian territory is the property of the Lithuanian Republic," said Ceslovas Stankevicius, deputy chairman of the Lithuanian Republic Supreme Council, commenting on Lithuanian radio on the recently adopted law "on the illegal possession by the USSR Armed Forces of property on the territory of the Lithuanian Republic."

The deputy head of parliament said that the new law determines that all deals and contracts on the transfer of land and forest to the military units "are void from the moment they were concluded" and declares establishments and buildings erected on "illegally occupied territories" to be illegal. The government has been instructed to establish order and to organize the transfer of this property.

The same document declares to be invalid all "contracts on supplies imposed on the organs of power of Lithuania, self-management organs, or economic organizations." Ceslovas Stankevicius explained that this does not mean that military establishments' supplies of water or electricity, for instance, will be cut off in the very near future. But, he said, this should be done not as a "duty" but on the basis of "goodwill" and in accordance with "trade relations" procedure.

Moscow Envoy on Military Withdrawal Talks

LD0512202891 Vilnius Radio Vilnius Network
in Lithuanian 0200 GMT 3 Dec 91

[All Edidijus Bickauskas remarks recorded]

[Text] [Announcer] The Soviet Union's State Council recognized the independence of Lithuania, Latvia, and Estonia about three months ago. Later, President Mikhail Gorbachev appointed Eduard Shevardnadze head of the delegation for the negotiations with Lithuania. He later became the Soviet minister of external relations. But negotiations did not start, although there have been meetings of high-ranking officials of both sides.

In the opinion of Egidijus Bickauskas, the Lithuanian temporary charge d' affaires in Moscow, it is difficult to say when the negotiations between Lithuania and the Soviet Union will start.

[Bickauskas] I would say that the situation is not clear. The partner in our negotiations is not clear, the subjects with whom we should negotiate are not known, because so far they themselves have not decided what kind of Soviet Union there will be. There are many uncertainties. We start thinking, too. Maybe there will be a Soviet Union, or, may be, only Russia, which takes upon itself to pay the foreign debts. It even finances the Soviet Union's president and the Foreign Ministry. So far we even do not know the composition of the Soviet Union's delegation. Therefore we must wait until the situation is clear. As far as I understand, the same position of waiting has been taken up by the Soviet Union.

[Announcer] Recently, a Soviet diplomat, who wished to remain anonymous, told INTERFAX that Lithuania was not prepared for negotiations with the Soviet Union. This, he said, has become obvious during unofficial meetings. Egidijus Bickauskas stated that recently he heard the same Soviet assessment personally from an official close to Eduard Shevardnadze.

[Bickauskas] I am afraid he spoke too strongly, as there have been working meetings. But they have not been sufficially fruitful because, as I already mentioned, the Soviet side was not decisive about the composition of the delegation. It has not even defined the object of the negotiations. They wanted to sit down immediately at the negotiations table; that is, for us to start the negotiations with an unknown partner. I am afraid the Soviet side wanted to fix the status of the army in Lithuania. This was not acceptable to us. I think this was the main obstacle to beginning the negotiations. I personally do not remember any statement on principle by the Soviet Union about the necessity to withdraw the Army. If they are prepared to withdraw the Army, we can start talking about the dates. I do not remember such a statement.

[Announcer] It was announced last week that according to a decree by President Gorbachev, the name of the Baltic Military District was changed to the Northwestern Army Group. Although this decision by Moscow was not coordinated with the Baltic states, according to Egidijus Bickauskas, this means a small step in the relations between the states. According to international practice, the Soviet Army Group is usually not deployed in the capitals of states. In the opinion of Egidijus Bickauskas, it is difficult to tell whether Moscow is ready shortly to withdraw the Army from the capitals. On 2 December, Lithuania received a Soviet note stating that the Soviet Armed Forces are not planning exercises in 1992 and 1993, which should be announced in advance. With such a note, according to the Lithuanian diplomat, the Soviets are attempting to legalize their Army's status quo in Lithuania.

[Bickauskas] A large number of Soviet officials, including the military, have so far not realized that three truly independent states exist near to them. In my opinion, they only want satellite states near them. We must not forget that when we talk about the withdrawal of the Army, we talk not about the withdrawal of the Soviet Army, but about the withdrawal of the Russian Army. Lastly, this army will be withdrawn not to somewhere else, but to Russia. Therefore the question arises: Should we not start serious talks with the Russian leadership about this? I dare to say that essentially this a democratic Russian leadership, and we must not spoil our relations with them in the future.

[Announcer] According to Egidijus Bickauskas, the Lithuanian Embassy in Moscow maintains rather constructive diplomatic relations with the Soviet Ministry of External Relations. He said that shortly he expects to receive from this institution a reply to his letter, in which he asked how the Soviet Union intends to treat issues that are important to the Baltic states.

On 28 November, Lithuanian Deputy Prime Minister Zigmas Vaisvila said in a television broadcast that the government had information about a possible coup in the Soviet Union sometime this week. The Lithuanian envoy in Moscow said that he did not have such information.

[Bickauskas] I do not wish to dispute what esteemed Zigmas Vaisvila said; maybe he has more information than I, especially as far as Lithuania is concerned. I do not deny that such a coup can take place, but I do not think that it will take place so soon. I do not see any forces to carry out such a coup. But on the scale of the Soviet Union, I think that danger will be present somewhat later, in the second half of January or in February. And I do not connect this danger with some organization, but with a social explosion, when people, being tired—and they are very tired—may go to the streets, and riots and pogroms may start.

Army Trains Said To Carry 'Dangerous' Cargoes

LD0512193991 Vilnius Radio Vilnius Network in Lithuanian 1700 GMT 4 Dec

[Text] What is the Soviet Army transporting through Lithuania? Correspondent Romas Jankauskas reports from Klaipeda:

The main cargoes on the international ferry are at present Soviet arms. Tanks, armored vehicles, cannons, and other weapons and equipment are being ferried from the territory of the former German Democratic Republic, from Mukran to Klaipeda. All this can be seen when they continue their journey through Lithuania. And what do the closed freight cars contain? The Soviets had not only explosives, but also dangerous, toxic, and radioactive substances, which poison our homeland's environment and people.

The contents of one freight car at the international ferry railway station appeared suspicious to the Lithuanian customs officials. Why did it seem to be suspicious? Strange as it may be, our customs officials do not have any means to establish degrees of toxicity or radiation. However, the freight car was examined by the Klaipeda regional agency of the Lithuanian Environmental Protection Department. The agency's director, Vladas Korsakas, completed his tests today. It was established that the freight car was loaded with 95 barrels of harmful chemical substances. Radioactivity was established, too: The scale showed 11 microrentgens. This is a tolerable norm, and the freight car was allowed today to continue its journey through Lithuania.

Luckily, this time it was only such a load. How many more dangerous, more poisonous loads pass through the customs? The customs officials do not have instruments to measure the degree of harm, but also do not have the right to check Soviet closed military freight cars.

Is this normal on the border of independent Lithuania?

Republic Abolishes State Security Department

LD0612095991 Vilnius Radio Vilnius Network in Lithuanian 2000 GMT 5 Dec 91

[Text] The Lithuanian Government has decided to abolish the State Security Department attached to the Government of the Republic of Lithuania and set up in place of the reorganized department the National Security Council of the Republic of Lithuania; to instruct Lithuanian Deputy Prime Minister Zigmas Vaisvila, together with a working group of deputies formed by the Presidium of the Lithuanian Supreme Council, to prepare the concept of the Republic of Lithuania's national security and to submit proposals to the Government of the Republic of Lithuania on the formation of a state commission to organize the national security service of the Republic of Lithuania.

Journalists Continue Anti-Government Strike

OW0612093891 Moscow BALTFAX in English 2000 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] Today's meeting between Lithuanian Premier Gediminas Vagnorius and representatives of the major independent newspapers on strike has brought no results. According to Vidas Rasliavicius, Editor-in-Chief of "LIETUVOS RYTAS," the government has met only 1 of their 6 demands. Mr. Vagnorius has turned down the key ones concerning freedom of the press in Lithuania.

The Lithuanian premier held a news conference in Vilnius at 4 pm during which most journalists walked out in protest. R. Vagnorius stated at the news conference that the strike is a political action aimed at discrediting the government on the eve of taking a decision on giving loans to Lithuania.

The newspapers on strike will issue a joint edition of the newspaper "LAISVA LIETUVAN" (Free Lithuania) December 6th. It will contain the list of all the press supporting the strikers. "LAISVA LIETUVAN" was issued once on January 11th, 1991, after the military had captured the House of the Press in Vilnius. The strikers will return to work next Tuesday [10 December]. However, they are determined to sharply criticize the government.

Ministry Department Closes Publications

OW0512194091 Moscow BALTFAX in English 1700 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] Quoting a law concerning the press in the Lithuanian republic, the department in control of the press in the republic's Ministry of Internal Affairs annulled the licences establishing several publications.

The deputy head of the department, Jonas Bucys told BF's [BALTFAX's] correspondent that these licences had been annulled for a number of reasons.

Some of them, previously under the Lithuanian Communist Party [CPL], were liquidated by a Lithuanian law concerning CPL assets. "Litva Sovetskaya" (Soviet Lithuania) published in Russian, "Sovetskaya Klaypeda" (Soviet Klaypeda) published in both Russian and Lithuanian, "Molodyozh Litvy" (Lithuanian Youth) produced in Russian in Vilnius were among those in question. In the Kaunas garrison, a newspaper called "Vo Imya Pravdy" (In the Name of Truth) was printed before the August coup attempt. Local committees of the CPSU issued the papers "Sozvezdiye" (Constellation), "Zaveti Lenina" (Lenin's Behests) and "Nashi Zaboti" (Our Concerns).

Government Denies Takeover of State Press

LD0512183391 Vilnius Radio Vilnius Network in Lithuanian 1400 GMT 5 Dec 91

[Text] A statement from the Lithuanian Government. Not long ago, the Lithuanian press and public word belonged to the Communist Party, or were under its control. However, together with society, the press has been gradually getting more and more free. A law on the property of the Lithuanian Communist Party-CPSU, adopted by the Supreme Council a month ago, stimulated the newspapers and magazines to become more independent, private publications.

However, several days ago, quite unexpectedly, lies about the nationalization of newspapers were disseminated in an organized manner. This was made during a time when Lithuania is living through the most difficult period of economic transformation.

Because rumors spread about the alleged state takeover of Lithuanian newspapers can damage the international prestige of our country and cause huge losses to the state and the people, the Government of Lithuania declares:

1. The accusations against the government, inspired by some internal political forces, concerning the alleged takeover of the press by the state are absolutely unfounded; the government has been supporting, and still supports, the independent press.

2. A group of experts from the European Council has been invited here, along with representatives from human rights organizations.

3. The government is prepared to discuss and to amend any decisions if any cases of human rights or property rights violations are found by the Supreme Council or by the international commission in the Republic of Lithuania.

4. The government (?will do everything) in order that the so-called emancipation of the press compaign does not turn into yet another attempt to discredit the restored state.

Republic Adopts New Law on Citizenship

OW0612030591 Moscow BALTFAX in English 1525 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] The Lithuanian parliament adopted a law on citizenship December 5th. The law grants Lithuanian citizenship to those who have had republican citizenship before July 15th, 1940, their descendants if they have no other citizenship, as well as people who "had received Lithuanian citizenship under the previous law before Nowember 3rd, 1991".

The new law gives the right to Lithuanian citizenship to those who have lived in the republic for at least 10 years, can speak and read in Lithuanian and have permanent work or some other legal source of subsistence.

Deputy Jarasunas, head of the group which prepared the draft law, told BF [BALTFAX] that the new law is needed since "the regulations of the transition period have already become antiquated."

He said in the previous law adopted on November 3rd, 1989, many articles were "incomplete." "It contained more principles than concrete judicial norms," he noted.

Communists Said To Meet; Military Attend

OW0612035491 Moscow BALTFAX in English 1700 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] **Underground Meeting of Lithuanian Communists**

The Lithuanian weekly "Gimtasis Krastas" reports on December 1 night several former members of the now banned Lithuanian Communist Party's [CPL] Vilnius branch penetrated the "Neris" plant of agricultural equipment located near Vilnius to hold a meeting there. The agenda of the meeting was as follows: 1. The CPL's tactics under the new conditions; 2. preparation for the underground work; 3. cooperation with the organization "Unity for Communism and Leninist ideals," headed by Nina Andreyeva; 4. creation of strike committees; 5. possible involvement of Soviet Army units in CPL activities.

The report says the military were represented at the meeting by 3 majors and 1 lieutenant-colonel of the USSR Armed Forces.

Supreme Soviet

Highlights of 4 Dec Presidium Meeting Reported

LD0512131491

[Editorial Report] Moscow Russian Television Network in Russian at 1908 GMT on 4 December broadcast the "At the session of the RSFSR Supreme Soviet" program on 4 December.

At 1908 Chairman Voronin gave the floor to Vladimir Fillipovich Shumeyko, deputy chairman of the RSFSR Supreme Soviet, to present information on draft proposals from the RSFSR president and government. He commented on decrees on the introduction on new minimum wages as of 1 January 1992 and on compensatory payments and the indexation of incomes. He also read a presidential draft decree on changes in the taxation of juridical persons in the RSFSR.

At 1915 Fedorova answered questions regarding a unified system of payments for workers in the law enforcement branches, and Stepankov then clarified some points on criteria governing pay. At 1918 Voronin put the draft law to a vote, and it was adopted.

At 1919 reportage on the session of the Soviet of Nationalities began. Deputy Batagov was reported to have asked that sanctions be imposed against Georgia as a result of the South Ossetia conflict. Chairman Abdulatipov explained the procedure the deputy should follow and then spoke about the incidence of republics and national okrugs flouting Russian laws. He commented on the need to prevent a further disintegration of the Russian Federation.

At 1926, after the deputies reportedly heard about Shumeyko's presentation of draft laws from the RSFSR president, one deputy complained about the impossibility of dealing with such a vast stream of decrees.

Deputy Mukhamadiyev then spoke about the failure to preserve the heritage of ethnic culture over the past 18 months. He was followed by Vyacheslav Lebedev, chairman of the RSFSR Supreme Court, who commented on how the composition of the court has changed over the past four years with almost 50 percent of its judges having changed.

Draft Decree on Taxation Read

LD0512150291 Moscow Russian Television Network in Russian 1908 GMT 4 Dec 91

[Draft presidential decree on changes in the taxation of juridical persons in the RSFSR; read by Vladimir Fillipovich Shumeyko, deputy chairman of the RSFSR Supreme Soviet, at the 4 December session of the RSFSR Supreme Soviet; from the "At the Session of the RSFSR Supreme Soviet" program—recorded]

[Excerpt] [passage omitted] With a view to implementing urgent measures to organize a taxation system which meets the requirements of the radical economic reform and to create on this foundation a stable financial basis for socioeconomic transformations in the RSFSR in accordance with the decision of the 1 November 1991 Congress of People's Deputies regarding the legal backup of the economic reform, I resolve:

1. To introduce on the territory of the RSFSR a value-added tax when output is sold, work is carried out, and services are rendered, and also excise taxes on individual goods, abolishing in connection with this the turnover tax and the sales tax;

2. To preserve in 1992 the levying of taxes on profits of enterprises and organizations;

3. To approve the attached provisions on value-added tax, provisions on excise taxes, and provisions on the taxes on profits of enterprises and organizations;

4. The provisions pointed out in Item 3 will be in force until the adoption of the appropriate laws by the RSFSR Supreme Soviet;

5. It is to be recommended to the RSFSR Supreme Soviet to bring the RSFSR draft laws on taxation policy in line with this decree and to complete work on their examination in as short a time as possible;

6. To suspend for the period of the implementation of the radical economic reform the prevailing procedure of the calendar order of payments by enterprises and organizations, meaning the immediate transfer of monetary funds to the budget after the calculation of labor payments. The remaining payments are to be made in order of the receipt of settlement documents at institutions and banks;

7. The RSFSR Ministry of Economy and Finance, in conjunction with the state tax service, is to draw up and bring to the notice of enterprises, organizations, and taxation bodies law-making documents ensuring the introduction of the tax described in Item 3 of this decree;

8. It is to be established that the levying of a tax on profits and income earned and property located on RSFSR territory is being carried out, taking into account agreements previously concluded by the USSR with foreign states to avoid double taxation on incomes and property. The RSFSR Ministry of Economy and Finance is to be instructed to hold negotiations to conclude with other foreign states agreements on the settlement of tax relations and the signing of these agreements on behalf of the RSFSR Government. The RSFSR Government will prepare a standard model draft agreement with member-states of the Economic Community on avoiding double taxation and submit it for examination to the Interstate Economic Committee;

9. The following procedure for bringing in provisions approved by this decree is to be established:

A. The provisions regarding value-added tax and provisions on excise taxes are to be introduced on 16 December 1991;

B. The provisions regarding taxes on the profits of enterprises and organizations are to be introduced on 1 January 1992, with use in budget (?calculations) starting from the results of activity in 1992;

10. It is to established that enterprises with foreign investments in the sphere of material production which have been registered in the established procedure prior to the adoption of this decree will retain previously established benefits regarding exemptions from paying tax on profits for two years from the moment their acounts [balansovaya pribyl] begin to show a profit;

11. The RSFSR Ministry of Economy and Finance and the RSFSR Justice Ministry will, within a month, present to the RSFSR Government for submission to the Supreme Soviet an appropriate proposal regarding changing the taxation legislation in force;

12. With a view to the prompt application of taxation legislation, the RSFSR Government is to submit for examination by the RSFSR president proposals to change the legislation as it applies to conditions arising in the course of the radical economic reform.

Session Reviews President's Letters

PM0512163991 Moscow ROSSIYSKAYA GAZETA in Russian 4 Dec 91 First Edition p 1

[Aleksandr Linkov report: "In the RSFSR Supreme Soviet Presidium"]

[Text] The RSFSR Supreme Soviet Presidium has held a routine session at which various questions were discussed. In particular, "On the RSFSR president's letter concerning the adoption of the Law on Increasing the Minimum Labor Wage," "On the RSFSR president's letter concerning the adoption of the Law on Certain Questions of the Legal Activity of Kray and Oblast Soviets," "On Relations with the Union Budget," and other questions.

Speaking on the first two questions, S. Shakhray, the president's adviser, informed members of the presidium that the president had sent letters explaining his position on the laws adopted by the Supreme Soviet. In particular, while supporting the Law on Increasing the Minimum Labor Wage, the president nevertheless asks the Supreme Soviet to postpone the law's entry into force, and to introduce it not from 1 December 1991 but from 1 January 1992. The president gives several reasons for this, in particular the fact that it is simply physically impossible to print such a huge quantity of money.

In the second instance, the president made use of his right of postponement veto on the Law on Certain Questions of the Legal Activity of Kray and Oblast Soviets of People's Deputies. While supporting this law, the president sees certain contradictions in it which may cause disagreements during the elaboration of various decisions at local level. The laws in question will be reviewed in the near future at a session of the Supreme Soviet.

In recent days, the Russian delegation in the Union parliament has been subjected to serious pressure from its Union colleagues on the issue of forming the budget. This same question was submitted to the RSFSR Supreme Soviet Presidium session in order to determine the Russian delegation's standpoint and clarify that of the Russian Government. Yegor Gaydar, deputy chairman of the RSFSR Government, spoke on this question. He informed members that it was this theme which prompted the recent meeting between Boris Yeltsin and Gorbachev. The government believes that at the present time Russia bears a heavy burden of expenditure, and in order to emerge from the situation which has arisen, it is essential to intensify control over all Union expenditure. Nevertheless, the government has adopted a decision on the need to finance both the Union and the Russian budget in December. Joint financing will serve as a way of more thoroughly controlling the use of all finances. Naturally, the Supreme Soviet has yet to have its say and will probably discuss these questions this week.

5 Dec Session Reported

LD0512214791

[Editorial Report] Moscow Russian Television Network in Russian at 1925 GMT on 5 December broadcast the "At the RSFSR Supreme Soviet Session" program of recorded excerpts of the RSFSR Supreme Soviet session in the Moscow Kremlin on 5 December.

At 1928 GMT Deputy Mityukov of the legislation committee presented the second reading of the bill making amendments and additions to the criminal code. Khasbulatov then called for a vote on the bill which passed in both chambers. The next item was regulating the activities of kray and oblast soviets; this bill was passed in principle.

At 1933 GMT cooperation with the Union budget was discussed. Deputy Sokolov of the budget sub-committee delivered a report on the subject. He talked about amounts paid to the Union budget by Russia, summarized the state of the Union budget, and stated the amount that Russia is prepared to spend on Union needs.

At 1943 GMT Deputy Economy Minister Korolev urged support for the bill. Deputy Malkov asked who is responsible for nuclear industry machinery enterprises. Korolev said the Russian Government is financing everything on Russian territory. Another deputy asked about plans to finance kindergartens, schools, and colleges. Korolev referred him to the previous answer.

The recording ends at 1954 GMT.

Parliament To Finance Union Needs

LD0512213691 Moscow TASS in English 1654 GMT 5 Dec 91

[By TASS parliamentary correspondent Tamara Zamyatina]

[Text] Moscow December 5 TASS—The Russian parliament decided today to spend 43.4 billion rubles to finance all Soviet needs in the fourth quarter of 1991. These include defence spending, foreign and home debt payments, financing of Soviet bodies of power and of former Soviet enterprises which have become Russian property.

The money is to be printed and referred to the Russian State home debt, says a law adopted today at the parliamentary session.

The law envisages that other republics should later share the burden.

Death Penalty for Theft Abolished

LD0612074591 Moscow Radio Rossii Network in Russian 0700 GMT 6 Dec 91

[Text] The Russian parliament has passed a law abolishing the death sentence for theft on a particularly large scale, for accepting bribes in particularly aggravating circumstances, and also for breaking the rules on foreign currency operations, speculation in foreign currency valuables, and securities.

The article in the Russian criminal code on criminal liability for the use of drugs without a doctor's prescription is abolished, but punishment is envisaged for the illegal manufacture, acquisition, storage, and transport of drugs without the aim of selling them.

Presidium Increases Minimum Wage

LD0612132891 Moscow All-Union Radio Mayak Network in Russian 1100 GMT 6 Dec 91

[Excerpts] Today the Supreme Soviet got down to discussing in earnest a collection of tax laws. They will be dealing with it today and tomorrow, and probably there will be a joint sitting of the chambers on 9 December. [passage omitted]

The deputies are now discussing the bill on value added tax. [passage omitted]

A discussion has flared up on the amount of the tax and has not yet ended. There are three options: the amount of the tax is at the proposed rates of 20, 28 and 32 percent—the Supreme Soviet thinks 20, the president's figure is 28, and the government's is 32.

Vice Premier Yegor Gaydar gave the following justification for the tax rate of 32 percent demanded by the government. He said that, in principle, 20 percent is, of course, is the normal level of taxation in an economy which is developing in a stable fashion. But the situation now is extraordinary, and the most important thing is that the ruble should have some value. Producers do not need any other incentives. He understood, of course, that the best strategy is the strategy of reducing state spending, and he assured the deputies that the government will make the greatest possible reductions in spending on defence, centralized investments and aid to foreign countries. But beyond that, if a rate of 20 or 28 percent is adopted, either there will be sharp cuts in social programs, meaning health care, education, pensions and everything else, or taxes will have to rise. In order not to undermine incentives for production, the increase will be made not in the tax on enterprises' profits, but in value added tax. It is an indirect tax, and, in principle, enterprises can bear it and, so to speak, have an incentive to expand production. [passage omitted]

This morning, the deputies had time to adopt again the law increasing the minimum wage, after amendments and a representation from the USSR president. As you can see, the Russian president did not veto that law, as Shakhray had warned, but he submitted his corrections in an amicable manner, and the parliament and president found a common language. It means that the minimum wage in organizations and institutions financed from budget sources will be increased to 342 rubles per month from 1 January 1992. Economically independent enterprises, organisations and institutions will introduce a minimum wage amounting to the same sum during the first quarter of 1992, as they find the funds for that purpose. If they have the funds and the possibility, they can raise wages right now. [passage omitted]

Federation Affairs

Yeltsin Chairs Government Meeting on Economy

LD0512173191 Moscow All-Union Radio Mayak Network in Russian 1200 GMT 5 Dec 91

[Text] The press service of the RSFSR Government reports that a regular sitting of the RSFSR Government was held today with Boris Nikolayevich Yeltsin in the chair. A decision on the reorganization of the taxation of juridical persona and citizens was adopted. A decision on urgent measures for supplying power to the national economy and the population of the USSR during the winter period was discussed.

Decrees and orders by the Russian president on a single economic space of the RSFSR and also on urgent measures for overcoming the crisis situation with regard to providing medicines and medical equipment were endorsed. In addition, government documents on the organization of work for rendering help to refugees and forced settlers and on a list of information which is not classified as a trade secret were discussed and adopted at the sitting.

Gaydar Denies Wage Freeze Rumors

LD0512141591 Moscow Radio Rossii Network in Russian 1300 GMT 5 Dec 91

[Excerpts] The RSFSR Government met today. The session was chaired by Boris Yeltsin. Here is a report by our correspondent, Vyacheslav Osipov:

[Osipov] [passage omitted] Commenting at a news conference on today's session, Deputy Premier Yegor Gaydar noted that the law on liberalization of prices has been approved and signed but the date of its implementation depends on two things: first, on approving the laws on taxation, and second, on specific political accords with the republics. Yegor Gaydar denied rumors about a possible wage freeze and added that all bonus salary payments will be made, although over a prolonged period.

New Economic Council Created

LD0512183291 Moscow All-Union Radio First Program Radio-1 Network in Russian 1600 GMT 5 Dec 91

[Text] The Russian Government adopted a resolution on creating a currency-economic council chaired by the RSFSR Government. Gaydar, RSFSR government deputy chairman for economic policy, was appointed head of the council.

Gaydar Discusses Price Decree

LD0512182791 Moscow TASS International Service in Russian 1520 GMT 5 Dec 91

[By TASS correspondent Vladimir Isachenkov]

[Text] Moscow, 5 Dec (TASS)—The Russian presidential decree on liberalizing prices has already been signed; only the date for implementing it remains open, Yegor Gaydar, deputy chairman of the RSFSR Government, reported today.

He explained that the decree on liberalizing prices can be implemented only after the adoption of tax legislation amendments which were approved by the government today and which will be examined tomorrow by the Russian parliament.

The liberalization of prices is also being delayed by talks with the republics which are asking for a postponement. "However, we are deeply convinced that delay will only aggravate the situation," Yegor Gaydar said.

The tax legislation amendments, he reported, envisage the introduction of new types of tax, including a value-added tax, which in times of inflation make it possible to maintain budget revenue stability. The value-added tax rate will be 28 percent. "This tax will put an additional burden on the population but will not affect production negatively," Yegor Gaydar said.

The Russian deputy prime minister denied rumors that a freeze on wages and savings bank accounts is being prepared. "We examined possible options for action on the catastrophic cash shortage; however, it could be a question only of a temporary restriction on issuing cash and not of freezing pay and bank accounts," he said.

Answering a question on the Ukrainian referendum's political consequences, Yegor Gaydar declared that its firm decision "not to enter the political union makes it necessary to rethink Russia's own attitude to it." The deputy prime minister categorically excluded the possibility of applying any economic sanctions against the Ukraine or immediately transferring the trade with it into world prices.

Touching upon recent comments by Russian Vice President Aleksandr Rutskoy, who sharply criticized the general concept of the economic reform, Yegor Gaydar said: "In a normal, civilized situation, a vice president would hand in his resignation before expressing opinions conflicting with the presidential policy to such an extent."

"We relayed the government's view to the president, and I think the status quo will not remain," he added.

[Moscow All-Union Radio Mayak Network in Russian at 1700 GMT on 5 December adds: "The Russian Government plans to levy a 12 percent income tax on Russia's citizens whose income does not exceed R [rubles] 3,000, RSFSR Deputy Prime Minister Yegor Gaydar told a RUSSIAN INFORMATION AGENCY correspondent in the corridors of the Soviet-U.S. conference on trade and economic cooperation, which opened in Moscow today. The new tax will be progressive, and this progression will be most serious, starting from R100,000 onward. The amount of the minimum wage is not taxed."]

Gaydar on Economy, Rutskoy, Ukraine

PM0612145391 Moscow PRAVDA in Russian 6 Dec 91 p 2

[S. Oganyan report: "Rutskoy's Position Is Politically Profitable, But Irresponsible"]

[Text] "Rutskoy's position is politically profitable, but irresponsible" is how Russian Vice Premier Ye. Gaydar assessed the latest statement by the RSFSR vice president at a news conference held immediately after the regular session of the Russian Government.

The session, chaired by B. Yeltsin, examined and adopted the government Resolution "On Reorganizing the Taxation of Juridical Persons and Citizens of the RSFSR" and discussed the Resolution "On Urgent Measures on the Supply of Energy to the RSFSR National Economy and Population in the 1991-1992 Winter Period." Russian presidential decrees and ordinances "On the Single Economic Area of the RSFSR" and "On

Urgent Measures To Overcome the Crisis Situation in the Provision of Medicine and Medical Equipment" were also ratified.

Commenting on the decisions adopted, Ye. Gaydar stated that the decree on liberalizing prices was signed a long time ago now and lacks only one thing—a date. This is down to the fact that taxation questions have not been settled with the Russian parliament and the fact that the former Union republics are asking for the start of liberalization to be delayed. Although Ye. Gaydar regards such requests with understanding, he is convinced that deferment will only be detrimental, since the crisis continues to deepen and problems concerning cash simply remain unsettled.

Asked whether any measures are to be taken on money circulation in cash, he said that a draft document does exist, but freezing investments and wages is not envisaged. For the time being, he stressed, the situation does not require this.

Journalists were interested in the question of the crisis in supplies to Moscow and Petersburg. This is due to the fact, Ye. Gaydar responded, that supplies from the former Union republics have virtually stopped, and the situation particularly worsened in November. Speaking about measures taken to overcome the situation, he said that in Moscow large food import quotas had already been allocated. He observed in passing that he does not understand why the situation has so deteriorated in Moscow. Clearly, as he mildly put it, the problem is that they have been unable to manage resources sensibly, and he assumed that the situation in Moscow would the subject of special investigation. As far as St. Petersburg is concerned, it has been assigned $128 million for barter transactions with Finland.

Asked about Rutskoy's latest statements, the Russian vice premier said: I think that if Rutskoy disgrees with the president's position, he should, as is customary in civilized countries, first submit his resignation and only then voice criticism of the program. Given that the situation is deteriorating as it is, such statements make Rutskoy a defender of the people in the eyes of the population. This position is politically profitable, but irresponsible, since Rutskoy did not object to the government program before.

Regarding the Ukraine's decision not to join a political union, Gaydar streessed that this does drastically alter the situation. At the same time he noted that no sanctions will be applied against the Ukraine.

One more piece of news: As of 1 January foreigners can open ruble acounts in Russia. This should help clear barriers to foreign goods reaching our Russian market.

Rutskoy Reportedly 'Not Going To Resign'

LD0512221991 Moscow TASS in English 1930 GMT 5 Dec 91

[By TASS correspondent Vyacheslav Amelin]

[Text] Moscow December 5 TASS—Critical remarks about the Russian Government made by Russia's Vice President Aleksandr Rutskoy in the Altay last weekend should not be regarded as an attempt to subvert the new Russian cabinet, Nikolay Gulbinskiy, the vice president's spokesman, told a news conference in Moscow today, adding that Rutskoy is not going to resign.

Gulbinskiy said Rutskoy's criticism of the government was prompted by his concern over the difficult economic situation in the regions he visited.

Vasiliy Lipitskiy, president of the board of the People's Party of Free Russia, headed by Rutskoy, said that the Russian president's decrees and other decisions should not be made without taking the opinions of leading political parties and movements in Russia into account.

Touching upon the concern of people in Russia about the imminent freeing of prices, Lipitskiy said the party's leaders believe this cannot be done without a number of preliminary measures, specifically, privatisation and demonopolisation.

'Cooling' of Relations With Yeltsin

PM0512215991 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 Dec 91 p 1

[A. Podkopalov report: "Is Rutskoy Getting Worked Up?"]

[Text] Yesterday N. Gulbinskiy, the Russian vice president's press secretary, had a meeting with journalists.

He complained that the press had not paid enough attention to A. Rutskoy's tour of industrial regions in East Siberia. According to the press secretary, this has resulted in a misunderstanding of A. Rutskoy's position on the reforms planned by the Russian Government.

N. Gulbinskiy stressed that the vice president fully shares the president's and government's course of entering the market as soon as possible so there can be no question of any opposition in this respect. A. Rutskoy's move on the liberalization of prices is due to his disagreement with the tactics of market transformations.

Is is well known tha, while in Barnaul, A. Rutskoy declared his intention to meet with B. Yeltsin on his return to Moscow and persuade the president "that we are headed somewhat the wrong way." If he failed, Aleksandr Vladimirovich promised to resign. The meeting will take place very soon, N. Gulbinskiy announced. As for the resignation, one can deduce from the press secretary's answers that the vice president was somewhat worked up.

Try as N. Gulbinskiy might to convince journalists that the vice president and B. Yeltsin were not at odds, one gets the opposite impression. Why report abroad the upcoming heart-to-heart with Yeltsin and, in particular, threaten to resign? Presumably, relations between the two top Russian officials allow for conversations several times a day about various problems and without attracting the attention of the press or the public. Very likely we are witnessing the next stage in the cooling of the relationship between B. Yeltsin and A. Rutskoy, which occurred as a result of the Chechen embarrassment. This may be a mistake. In that case Aleksandr Vladimirovich could easily dispel it at a personal meeting with journalists, but lately he has preferred to communicate through his press secretary.

Rutskoy Supports 'Indivisible Russia'

PM0612124591 Moscow ROSSIYSKAYA GAZETA in Russian 6 Dec 91 First Edition p 1

[RIA correspondent report in "News" column: "Rutskoy For Unity and Indivisibility"]

[Text] "The people will never forgive us if we break this great country (Russia) into individual principalities, and such tendencies have already been noted," Russian Vice President Aleksandr Rutskoy told your RUSSIAN INFORMATION AGENCY correspondent. In his words, "it is those people who so zealously tried to and achieved the breakup of the Union who are now equally strenuously advocating the breakup of Russia." "They appear to advocate freedom and independence for the peoples," the vice president said, "and accuse their opponents of a great-power attitude and imperial thinking."

"I have always supported a great, united and indivisible Russia because this state has been formed over centuries," Rutskoy stressed.

Rutskoy's Political Stance Viewed

PM0612141191 Moscow IZVESTIYA in Russian 6 Dec 91 Union Edition pp 1, 2

[Article by V. Kononenko under the general heading "Government Crisis Brewing in Russia": "Rutskoy Is Not Going To Resign. He Is Going On the Offensive"]

[Text] A new conflict is clearly brewing in the top echelon of power in Russia. The passions over the confrontation that occurred two weeks ago between government and parliament were still smoldering when the Rutskoy "phenomenon" arose. Judging by the recent articles and commentaries on the topic, the political prognosis oscillates between the following extremes: "The vice president has transferred to the forces in opposition to the government"; and "if there is another putsch, it will be headed by Rutskoy."

Perhaps the press is again trying to make a sensation out of nothing, as one Russian deputy claimed the other day at a meeting with government representatives? Well, let us try to compare the directions followed by the vice president and the government.

It was on A. Rutskoy's initiative that the state of emergency was introduced in Checheno-Ingushetia. When it became clear that the strong-arm approach would only aggravate the situation in the Caucasus and parliament essentially revoked the president's decree, which the latter accepted, the vice president continued to uphold his position. "We have demonstrated anarchy and lawlessness," he asserted.

As soon as the new government's reform program was announced (only the general outline) the vice president (without rejecting the need for reforms) began to torpedo the efforts to prepare for the liberalization of prices, seeing this step as "ruinous for the Russian economy." Finally, during his trip to Altay, the vice president openly opposed the course being pursued by the government—headed, incidentally, by the president.

What lies behind the vice president's "special" position, which threatens to cause a new crisis in the Russian leadership? According to information received by IZVESTIYA from informed sources in the White House and on Staraya Ploshchad, the vice president deliberately and resolutely dissociated himself from the actions of the new Cabinet of Ministers (theorizers, he called them), since he considers them unpredictable and rash, and assumed an "opposition" role in order to "prevent a social explosion on a gigantic, Russia-wide scale." Let us set out his views on the current situation in the RSFSR and the reform program.

To make the transition to the market, the vice president believes, we need time, in order to carry out a range of measures. They include: compiling an inventory of capital and resources; defining the space in which the reforms can be conducted (most likely what he means here is the solution of the problem of a Russian federal system); ensuring a comprehensive approach when preparing reforms in a particular sphere; coordinating actions with partners in the former Union. Here are some of his assessments of the government's steps as interpreted by the aforementioned sources.

The experiments that are being carried out on the economy are not a reform program. The government, in which Ye. Gaydar is the chief "theorizer," has followed the old "Gorbachevian" pattern: adopting a clutch of decrees and resolutions without a package of normative acts to ensure their implementation. As a result, not one of the 15 decrees issued recently is working. They are in a state of suspension. The president instructs the government (himself, that is!) to determine, to elaborate such and such a measure to implement the decree, but the deadline passes and no basis for their implementation is established.

Price liberalization is a very important problem. As in other areas, we have the familiar ill-considered actions, the same old haste. The decree has already been handed to parliament, but we do not yet have the phased decisions on privatization, demonopolization, the tax system, and the formation of the budget for next year.

Meanwhile the economic paralysis increases. The average level of intra-Union deliveries resulting from direct production links is only 12 percent of last year's level. Take the Urals. In many cities there around 90 percent of the specialists and workers are employed at defense enterprises. They are coming to a standstill at the moment—no product orders, warehouses overflowing, no buyers, nothing to pay wages with. A vast number of first-class specialists are about to be out of work, and it is going to be extremely difficult to find them jobs in the smaller cities. Empty shelves in stores are aggravating the situation. The Kuzbass is practically in a prestrike situation. And the situation in the Army? One month! is what the military and military-industrial complex workers are giving us to consider how to ease their predicament at least somewhat.

Summing up the vice president's utterances, sources stress that he is not against reforms as such. Moreover, in some areas he favors their radicalization. However, he is categorically opposed to the techniques and forms and methods of transition to the market. "We are not the kind of country to leap into the market in a week," they cite his words. The vice president is convinced that we must once again consider whether the normative base and managerial structures are ready for a liberalization of prices and, obviously, postpone it to a later date. In the meantime we carry out the preparations and adopt measures to improve food supply, even prohibiting commercial stores from trading in goods which enterprises are marketing at state prices.

Now for the "sensational" news from Barnaul where, during his tour of military-industrial complex enterpises, the vice president allegedly stated his willingness to resign. A. Rutskoy's aides explained that his words had been misinterpreted. What the vice president said was approximately as follows: On his return to Moscow he would meet with the president, set before him what he had seen in the provinces, convey the people's feelings, and, if the alarm signals were not heeded, if the logic of what might soon happen were not taken on board, then he would be forced to consider resigning. However, after this explanation it was stated that A. Rutskoy does not intend to resign. He is ready to fight to the end, because he is convinced (somewhat conceitedly, perhaps) that he is the only one in Yeltsin's "team" who can answer the government back and do something to prevent a social explosion.

It was also said that the vice president's views on the situation in the economy, as set out, are shaped not under the influence of his entourage, of any forces or representatives of the Free Russia party of which he is the head, but as a result of meetings with delegations from defense enterprises, with deputies, and with labor collectives. He deliberately did not join the government, which is short on experienced, practical people, in order to be able to influence its actions. He makes a point of not addressing his critical opinions to the president.

Here, perhaps, are the mainsprings of A. Rutskoy's recent move, as a politician, to a different course, one that differs significantly from the government's.

In government circles there is unconcealed irritation at the vice president's "ranting" criticism. "He strings a few obvious, basic things together and concludes that there is no reform program!" one Cabinet of Ministers adviser said. "The problems of privatization, demonopolization, and stabilization of the financial and tax system in anticipation of prices' being released are forcing us to work nights. But there is no chance we can put off the reforms, just as there is no way to maintain operational management of sectors in conditions of the rupture of interrepublic ties and transformation of Union structures into Russian ones."

One could add to that the fact that the vice president's views on how to keep the situation under control are not original. For example, improving food supply by means of forcible allocation, even by blocking commercial trade, smells very strongly of the SCSE's [State Committee for the State of Emergency] promises. Should state orders to military-industrial complex enterprises be extended? For at least three years now they have been promising to start conversion, but nothing has happened.

On the afternoon of 5 December, it has been announced, after his meeting with the president, A. Rutskoy will address a press conference, where, presumably, we will get an answer to the question: Will the vice president recede into lonely opposition or will he mount a frontal offensive?

Government Abolishes USSR Agriculture Ministry

LD0412101291 Moscow TASS International Service in Russian 2257 GMT 3 Dec 91

[By TASS correspondent Sergey Telepnev]

[Text] Moscow, 4 Dec (TASS)—An abolition commission has started work at the USSR Ministry of Agriculture. It has been abolished by decision of the Russian Government. It is to be replaced by 800 specialists. This is the fourth reorganization over the last six years of the agricultural department and the 29th over the entire period of its existence. Some specialists believe that this step will complicate the food situation in the country. Indeed, the industry has thousands of links with all regions of the country.

Who is going to make up the foodstuffs and the reserve funds, coordinate bloodstock work, veterinary and quarantine inspections, and meet agreements with foreign states? These and many other questions remain unanswered.

Burbulis Comments on Russian Power Structures

PM0512111691 Moscow NEW TIMES in English No. 45, 12-18 Nov 91 pp 8-9

[Interview with RSFSR State Secretary Gennadiy Burbulis by Gennadiy Ariyevich; place and date not given: "We Are Not Kamikazes"]

[Text] New Times [NT]: The power of the democrats still hasn't made life easier for common people. Do you really hope that things will change for the better after the Congress of Russian People's Deputies?

Gennadiy Burbulis [G.B.]: The present economic malady, grave though it is, can be cured. For the first time all three prerequisites for the remedy are present: President Yeltsin's political will and authority; professionals from our team who are both willing and capable of carrying out reforms; and the majority's psychological readiness for them. The people seem to be convinced at last that it's impossible to survive without reforms.

NT: The programme proposed by Yeltsin still resembles a declaration of intentions. How realistic is it?

G.B.: A detailed priority schedule—a time-table, so to speak—is being worked out for practically each area of the reform. Reforms require a whole set of correlated measures—legal ones, information and psychological ones, and those concerning the personnel. Steps must be taken to neutralize resistance to reforms on the part of the revanchists whose positions have been strengthened. The putsch did its best to help the state monopoly of the CPSU structures collapse but the poison accumulated in it has permeated all vitally important cells of the Russian state. In no time former functionaries of Party regional and city committees filled all levels of power, including executive power. On the local level the President's will encounters serious resistance from those who are still convinced that it is possible to emerge from the crisis using traditional Soviet methods—hard work, pulling and pressing—leaving untouched the personal attitudes of people, their interests and motivation to work. This explains why a full-fledged system of presidential power must be created.

NT: Yeltsin demanded that the congress grant him extraordinary authority. Does this mean a temporary introduction of presidential rule?

G.B.: Legally and politically presidential rule implies extending additional volitional and legal possibilities. It's unjust and insulting to label as extraordinary rule an attempt to use the President's constitutional rights in full.

NT: Who has worked out the economic programme for Russia? Evidently, not the government in which there are too many conservatives, especially in the agrarian sector.

G.B.: The basic ideas were already formulated in the programme 500 days. Yavlinskiy and Shatalin, wherever they happen to work at the moment, remain the present programme's co-authors together with that part of the government which has fought for radical change—Minister of Economics Saburov, Press Minister Poltoranin, Minister of Justice Fedorov, Labour Minister Shokhin. And, finally, the group headed by Director of the Institute for Economic Policy Yegor Graydar which worked in Arkhangelskoye. The work in store for us must be fulfilled primarily by young people who nevertheless have an elementary knowledge of how the economy works in other countries.

NT: A government which is going to implement radical reforms—necessary yet unpopular—assumes the role of a kamikaze. Why should Yeltsin undertake to head such a government?

G.B.: I don't like the sacrificial implication inherent in this word. A total and far reaching offensive on the past for the sake of the future requires an exact distribution of functions. The government must walk its path to the end and be proud of it, for the purpose of any power structure is to solve human problems and not to enjoy power in comfort.

As concerns Boris Nikolayevich, Yeltsin would cease to be himself if he shunned responsibility, although the risk is tremendous.

NT: Only a very popular government can afford to take unpopular measures. People have begun to lose trust in the authorities during the two months of silence, discord and uncertainty in the leadership.

G.B.: This should be treated with discretion. Never before has the entire society's attention been rivetted so much on the figure of the President and his team. Hence the exaggerated assessments of our possibilities and intolerance of the absence of noticeable and quick improvements in our life. We might have acted more quickly and effectively, if the fruit of Russian statehood had ripened.

NT: And why did the government disappear from political life for two months?

G.B.: We had to prepare the "construction site"—the Union Treaty before August and the interrepublican economic agreement after it. We had been accumulating strength for an attack in a certain direction but the three days in August turned everything around. It was a forced pause for reappraisal of the situation and choosing a new direction.

NT: Some are under the impression that there is a division of roles among the Russian leadership. Yeltsin speaks about interrepublican cooperation, the Union Treaty, a common economic an political space; whereas the State Council is preoccupied with Russia's national interests. And you simply stated that an economic agreement was not so profitable for the Russian Federation.

G.B.: It's true in a way. But the opposite is also true - the final text of the agreement has been considerably improved by the efforts of the President himself and the majority of the State Council. Boris Nikolayevich has invariably confirmed Russia's readiness to participate in the agreement but by no means to the detriment of its people's interests. The President chooses the most fitting decision, taking into account the entire spectrum of views of both the deputies and his advisors.

NT: What do you think of the accusations that the former Sverdlovsk Party apparatchiks are concentrated in the Russian Parliament?

G.B.: This isn't true! I think that these accusations are a result of this supersensitive attitude to the President's activity and excessively close attention to his person.

NT: Doesn't the State Council replace the government and even the parliament?

G.B.: How can it replace the parliament if it doesn't issue laws? It simply works out recommendations for the President on the decisions to be made. How can the State Council replace the government if it doesn't control anything or sign any documents? Many don't understand the very idea of creating a body which works out the state policy. A state without a political strategy cannot be a full-fledged one. Nor can a reform be successful if it is not backed by a political analysis and a prognosis of the situation. In this sense the State Council is a structure indispensable for any regime. Its functioning wouldn't have been so noticeable in a normal economic and political situation.

NT: Does this mean that a strong government doesn't need a State Council so much?

G.B.: In the period of radical reforms or after them the State Council will be seriously reformed, too, and its members will possibly be incorporated into government structures. However, it should be borne in mind that the presidency provides for an essential separation of state and political leadership and control over economic life.

NT: What's your attitude towards the republics' negative reaction to Russia's behaviour?

G.B.: These assessments are due to the painful and, to many, not easily understandable process of the disintegration of the totalitarian system. It is not a question of republican leaders' personal interestedness, nor that of exploiting the national issue. It is a historical problem of searching for a way out of unhealthy and unnatural conditions to which normal approaches are inapplicable. You are faced here with exaggerated ethnic sensitivity, an extremely complicated psychological motivating milieu aggravating the conflict, and fear of the unknown, and a naive belief that the more compact and the more isolated a human community is the more healthy it becomes. The society's madness should not be discounted either. Besides, the collapsing communist regime takes advantage of the national issue to sow agitation among the people and win their votes. The only way to cope with the problem is not to make haste with political assessments of these phenomena until they take a rational form. It must be realized at last that attempts to achieve national self-determination are motivated by economic problems still unsolved. We will attain greater clarity in other matters when we work out a clear and definite economic policy. However, the republics are now inclined to incriminate with imperial ambitions not the Union but Russia. We have to convince everybody that Russia creates a principally new democratic state, simultaneously preventing Russia from losing its statehood; we must find the exact measure of Russia's real sovereignty and real economic independence without traumatizing all those who create their own states nearby with no less pain and effort.

I am sure that this entire process would have been much less painful if God Almighty had been merciful enough to endow us—politicians big and small—with an understanding of a simple truth—a state that has outlived itself historically cannot be reanimated. Therefore, the more precisely formulated our aim is—a union of sovereign states—the more steadily and consistently will the republics march to the same goal. So far we haven't abandoned attempts to achieve a strange and ambiguous aim—to preserve a constitutional state within the framework of which it will be ostensibly possible to create a full-fledged union of sovereign states.

Comments on Union Treaty

LD0512221691 Moscow Radio Rossii Network in Russian 0700 GMT 5 Dec 91

[Text] Russian First Deputy Prime Minister Gennadiy Burbulis has stated that the republic bears a special responsibility for the negotiation process within the framework of the desintegrating Union. Having supported the concept of the draft Union treaty in the course of his address to the Russian deputies in the Union parliament, Burbulis noted that its present form does not look convincing enough to us. He said that Russia supports the Union, but not an artificial or forced one. Burbulis also stressed that the Slav axis should be maintained. The forms of preserving it could be determined in the near future. In connection with this, he mentioned in particular the forthcoming visit of the Russian leaders to Belorussia. Burbulis stated that there are two ways of preserving the united economic area: through bilateral agreements between the republics and through activities of the interrepublican economic committee.

President Responsible for Nuclear Inspection

OW0612022391 Moscow INTERFAX in English 1515 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] Boris Yeltsin's December 3 decree places the RSFSR State Committee for Supervision of Nuclear and Radiation Safety under the authority of the Russian president. The RSFSR committee inherits the facilities and finances of the USSR committee. It will be supervised by the RSFSR Vice-President Aleksandr Rutskoy.

Its chairman will be Yuriy Vishnevskiy.

Government on Distribution of U.S. Bank Loan

OW0612040991 Moscow INTERFAX in English 1730 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] The RSFSR government has issued a ruling "On Raising U.S. Banks' Credit on Favourable Terms" signed by the Deputy-Premier I. Gaydar. A $300 mn [million] loan is extended to Russia by D&P Group Inc for ten years. It will be used to finance supplies to the Russian Federation of equipment for food-processing and building materials production, for modernizing chemical fertilizer plants, and also technologies for coping with the consequences of the Chernobyl disaster.

Over the credit term the RSFSR Economics and Finance Ministry and the economic links committee of the RSFSR Foreign Ministry will allocate quotas to the Science and Technology Association centre which was active in reaching the agreement and issue it with licences for exports of carbamide and other Goods to return the credit and purchase equipment.

Trade Unions Oppose Social Security Decree

OW0612022491 Moscow INTERFAX in English 1515 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] The signing of the Russian President's decree which actually places social security in the hands of the state without coordinating it with trade unions would violate several Russian and USSR laws as well as international norms, said the leaders of several labor associations in their open letter sent to Boris Yeltsin on Thursday [5 December].

According to the labor leaders, the decree prepared for signing might become "another link in the chain of the Russian leadership's actions aimed at reducing the role played by trade unions in democratic management".

Yeltsin Appeals to Heads of Churches, Believers

LD0512152591 Moscow TASS International Service in Russian 1159 GMT 5 Dec 91

[Text] Moscow, 5 Dec (TASS)—Boris Yeltsin, president of the RSFSR, issued an appeal today to heads of religious faiths and believers in the Russian Federation. The document says:

Esteemed heads of religious faiths!

Esteemed citizen believers of the Russian Federation!

Today is of special significance in the fatherland's history. The hearts of millions of our Orthodox countrymen are full of sorrow. Exactly 60 years ago in the capital of Russia, one of the world's largest Orthodox churches, the Church of Christ the Savior, built in honor of the victory of the peoples of our state in the 1812 fatherland war, was destroyed.

This unparalleled act of vandalism was carried out during a time of peace, not by foreign aggressors but by people who were blinded by false ideas that aroused hatred for all that is good and holy.

The column of dust which rose over the ruins of the church became a sinister symbol of impermissible contempt for Russian sacred objects, a crude trampling of human rights, and monstrous outrages against the feelings of believers and not only Orthodox believers. To an equal degree, the policy of spiritual genocide spared neither Catholics nor Baptists, neither Muslims nor Buddhists, neither Jews nor representatives of other religious associations. Militant atheism, in the full sense of that word, killed faith in every person, without analyzing what convictions he adheres to and to which nationality he belongs. The last decades have proved convincingly that spirituality in man is indestructible.

Today our homeland is living through a tortuous period of rebirth. We have begun to raise ourselves from the abyss into which we were falling for many decades, to once more find our memory and faith. Our eyes are turning once more to sacred things created by preceding generations. It is sad that much that was lost cannot be returned. It is all the more important to preserve and to hand over to descendants that which remains, and to restore in people a respect for the most rich heritage of the fatherland.

I am grateful to the believers of Russia for their understanding of the importance of and active assistance in this. I am grateful to the priests of the church and religious associations for the fact that they are bringing to people the light of humaneness, morality, and hope.

At the present time the peacemaking efforts being undertaken by the religious public are especially valuable. The wise word, inspired by belief and the many-centuries-long experience of healing the soul, has considerable force. It is capable of extinguishing the fiercest interethnic conflagration, of averting a conflict that is brewing.

Your assistance is especially necessary where people are divided by hostility and hatred of one another.

I am counting that you will be helping people at the most difficult time of painful reforms, sustaining their strength and strengthening their spirit. The help and assistance of the clergy is especially important now for people who are having a particularly hard time. The church and the religious associations have extremely rich traditions in this truly charitable activity.

At the present time, unity is vitally necessary in order to multiply our efforts in the cause of the revival of Russia!

As the president, I confirm the unchanging striving of the Russian leadership to eliminate the consequences of the profoundly unjust policy of the many-year-long communist dictatorship with regard to believers, to hand over religious shrines, churches, and cloisters to those to whom they should rightly belong.

May this sad day be marked, respected fellow citizens, with mutual tolerance and good deeds and thoughts.

I hope that with our decision, based on principle, our descendants will restore the memory of the Cathedral of Christ the Savior in some form.

Autonomous Republics Discuss Oil 'Looting'

LD0512182191 Moscow Radio Rossii Network in Russian 0200 GMT 5 Dec 91

[Text] A working meeting of representatives of all directorates and ministries of internal affairs of the Russian autonomous republics was held on 4 December at the oblast directorate of internal affairs in Tyumen. One question was discussed: How to stop the looting of the oil stocks of the Russian state. Sergey Putiltsev, our Tyumen correspondent, reports:

This is precisely what the decision of the Russian Government, signed by President Yeltsin on 15 November, on the regulation of deliveries of petroleum products in connection with their refinery outside the RSFSR obliges the Ministry of Internal Affairs, the tax inspectorate, the customs service, the Ministry of Fuel and Power, and the Russian Ministry of External Relations, to do.

Everyone knows that the extraction of oil is steadily falling. Thus, according to predictions, in 1991 in Tyumen oblast alone, approximately 309 million tonnes was extraced, which is 13 percent less than the level of last year, and in 1992 recovery will fall by approximately another 50 million tonnes.

Nonetheless, despite this, the volummes of strategic raw material exported outside Russia and the number of its exporters continue to increase.

If today—according to official data—40 various firms and enterprises possessing the right to engage in foreign economic activity are registered in Tyumen oblast, and of them, only about 10 possess the right to sell oil abroad, then now, according to the new Russian laws, practically any organization or private businessman has the opportunity to have economic contacts with foreign partners. Theoretically, they also have the right to trade in oil and petroleum products. It is not difficult to imagine what could transpire from this.

Today, it is no secret that anyone who wants to trade in oil, gas, gasoline, diesel fuel, and other petroleum products, does so. Moreover, frequently what brings direct, large profit to smart operators and individual firms causes significant damage to the Russian state as a whole.

Literally two weeks ago the commission on legality of the Tyumen oblast soviet examined a submission from the tax inspectorate on the activity of a certain enterprise, the tasks of which, according to its statutes, are the development of sports and physical education in the town. In less than six months (Alingua)—that is the name of the enterprise—has received approximately 2.8 million rubles [R] profit. Almost R2.6 million of this is from, what else, the sale of oil. It would be good if this money had gone on the developdment of sports centers and the training of young sportsmen. No. About R600,000 was given as a bonus to the director of the enterprise.

There is no shortage of those wishing to line their pockets on oil, gas, and other Russian riches. Can the departments involved ensure reliable protection of the republic's possessions in line with the presidential decree? So far, unfortunately they have more questions and doubts than a clear-cut and specific picture of how to do this.

Central Bank Official Grants Interview

LD0512204791

[Editorial Report] Moscow Russian Television Network in Russian at 1702 GMT on 3 December, during the "Parliamentary Herald" program, broadcast a 15-minute interview with Vladimir Petrovich Rasskazov, deputy chairman of the Russian Central Bank, by RSFSR People's Deputy Sergey Nosovets.

Nosovets asked Rasskazov about the importance of the Central Bank belonging to Russia and not becoming part of the presidential structure, why the Supreme Soviet continues to maintain a hold on the bank. Rasskazov replies: "From the point of view of the Central Bank we should pursue the general line in reform that has been outlined by the Supreme Soviet and the president. Perhaps it is not tactful for us to express our point of view today—what would be better for us, to subordinate ourselves to the president or to the Supreme Soviet?"

He continued: "One has to know the main thing. Here I will speak like a deputy. A bank is moreover one of the main levers of power, and probably under conditions when the government in our country changes sufficiently frequently, it would not be expedient to make the bank such a stage-by-stage element as well which would change simultaneously with a change in government. For all that, it is noticeable when foreign investors and representatives come here, first and foremost they demand the stability of the bank and demand that the bank act as a guarantor for all these governmental programs. That is very important. Therefore in my view, in my opinion, today the handing over of the bank to the presidential structure would naturally strengthen the president's power, but I doubt that that would strengthen the reliability and stability of the banking system from the point of view of confidence in it on the part of foreign partners."

Referring to a comment by Nosovets that this does not mean that parliament is opposed to the president, Rasskazov said: "The fact is that at the moment our staff, primarily the leadership, is working together with the presidential structure, both with Shokhin and with Gaydar, and we are making joint decisions. At any of the meetings that we have had, there was not a single time that compromises and acceptable decisions were not found. We understand that very harsh unpopular measures are needed currently, both on the part of the government and on the part of the financial bodies so to speak, to stabilize the credit and monetary system. This cannot be managed without our joint work—including the fact that this cannot be managed without the parliament, the bank, and the goverment working together because in my view the bank, the parliament, and the government, in making a decision to tighten up the credit and finance policy, the credit and monetary policy in the sphere of cash circulation, may simply attract the sympathy of the electorate."

Replying to accusations regarding bad banking practices—being responsible for credit emissions, causing inflation growth—Rasskazov stressed that these accusations must be subjected to investigation. "We have proposed that some kind of external auditor should take part in this, even an international expert. That is the first thing. Second, a professional analysis of the work of the Central Bank is needed. We were the first to appeal to the Supreme Soviet with a request to give the Central Bank a hearing. They are accusing us of issuing credits, but in my view that is not quite correct, to put it mildly, because you recall the overall volume of credit emissions, its increase in the state debt deficit, is a joint decision by both the government and the Supreme Soviet. You see, today at the Central Bank they are looking precisely at that deposit which either the Supreme Soviet or the government has at its disposal. One has to understand that that deposit belongs to the people and in my view it is the Supreme Soviet which is free to dispose of it in the first place. You recall that at the first congress we immediately wrote off 80 billion from the agro-industrial complex with such a unanimous outburst, such a raising of hands. Remember how quickly we increased the deficit in the state debt by 42 billion on the difference in prices. Then there is the 22 billion, the issue that you raised. Besides that, do not forget what we made a proposal at the fourth congress on a calculation whereby the government and the Supreme Soviet would compete with one another to improve the so called social conditions. They started to raise pensions, teachers' salaries, and doctors' wages to increase grants. Besides that remember how many tax benefits there were, how many funds were set up, nontaxable funds and even the enterprises of the military industrial complex crept under the wing of these funds. Thus the income part of the budget was lowered, and today they are trying to accuse the Central Bank of this.

"Let's get to the bottom of this objectively. I think this is the case. In actual fact during the six months that this wave around the Central Bank is not calming down, this is the first indicator that the Central Bank is doing something and is doing something sufficiently serious since such a powerful reaction is occurring on the part of such newspapers as KOMMERSANT, NEZAVISIMAYA GAZETA, and DELOVOY MIR. That is, one should get to the bottom of it and take a look. Probably it is not unsubstantiated, not without grounds that the position of the Central Bank is not to someone's liking, and first and foremost not to that of the ever-increasing new commercial structures which wanted to achieve the initial accumulation of capital by any means. That is, for them the end justifies the means, and here naturally the activity of the Central Bank is probably not at all to their liking."

Regarding relations between the Central Bank and the commercial banks, Rasskazov said: "Here there are a few problems that I think we have heard about at parliamentary hearings. We note that a number of commercial banks are demanding that we hand over the real estate—the buildings and structures—as property. A number of commercial banks believe that our reserve requirements regarding cash are not competent. A number of commercial banks consider that we are not competent to increase, that is, to establish some kind of limited percentage rate. They would like to be engaged in spendthrift operations.

"All these demands are apparently quite evident according to the commercial banks, but on the other hand what is the purpose of the Central Bank then if it is not going to regulate the activity of the commercial banks and will not effect supervision and restrictions with respect to the credit and monetary policy. For example, powerful pressure is being exerted on us to give up the buildings and structures at a clearance sale price. We said no, the cost of these buildings will be auction price. These buildings are the result of your labor and the labor of your parents and my parents, and therefore, after the mechanism of privatization emerges, we will sell these buildings and in general we will supplement the budget slightly on account of that.

"The commercial banks have accumulated enough funds today on account of brokers' operations. We know that today the commercial bank hardly implements any long-term programs but furnishes short-term loans, and that is the lion's share, and therefore the problems here are natural. They want to accumulate capital, and we want to direct that into a lawful, normal channel in some way.

"One problem that is probably very substantial is that life has left us behind when it comes to the laws, and it is time to correct the law on banks because a number of functions might be expanded for the Central Bank. The Central Bank is a regulating body. It should effect stringent control and supervision over the activity of the commercial banks, both with regard to the presentation of statistical information as well as with respect to the appointments of the leading personnel in commercial banks, and also regarding the reserve requirements and those norms that are specified in the bank laws."

On the problem of cash and of the introduction of their own currencies by the newly independent states, the Ukraine for instance, Rasskazov said: "Yes, you have raised an issue that will probably be an awkward one at the present time if you like. Once, at a sitting of the Presidium of the Supreme Soviet I somehow announced that our country is on the threshold of an unprecedented event, if you like, the public announcement of the monetary deficit. You see, a presidential decree had been adopted, which presupposes a 90 percent increase in wages in the budget sphere. We made a rough estimate that that decree alone would require an increase in cash of 30 billion rubles, while the printing plant of the Goznak [State Directorate for Issuing the State Insignia of the USSR State Bank] could only print 10 billion in that period. Where was an additional 20 billion in cash to be found?

"The second event here was that in connection with the fact that the laws on enterprises and entrepreneurial activity were to the liking of someone, but to delete the sentence that juridical persons should realize accounts primarily not in cash. Today it is being implemented in cash form, and all the money is in the commercial structures. They are simply holding on to it in order to make more capital from cash. Today in some regions for example cash is being sold without the transfer of cash at a 1:2 ratio, and here we have to take strict measures. You will recall that we have adopted a decision at the Central Bank to restrict the paying out of cash only for wages and for the acquisition of foodstuffs. You will, however, remember what a major scandal blew up around this issue in the newspapers directed against the Central Bank.

"Besides the lack of cash, the second element is the mass discarding of cash, first and foremost without cash transfer on the part of the republics, on the threshold of introducing national currencies. Today the Central Bank, under the leadership of Georgiy Matyukhin, is already holding the second meeting with the chairmen of the central banks of the republics at which we want to agree on a single monetary unit—and such accords do already exist in preliminary form—the ruble on the territory of the country, besides that, on the civilized manner of introducing national currencies, on the time schedules and the introduction mechanisms so that this tidal wave of rubles does not come crashing down, as the president said, a tidal wave of rubles from the Ukraine may come crashing down on the territory of Russia. This means that here we need an accord both among the politicians and among the executors of presidential power as well as among the banks. We are undertaking every step to prevent this from happening."

Asked how the banks operations will be expanded to take an active part in economic reforms, Rasskazov said: "In the first place the Central Bank needs to take very serious action to strengthen the professional staff. This is the first thing. The second thing is that the Central Bank considers it necessary to adopt some kind of new administration structure which would correspond to the Central Bank. You see, just as before we have the structure of the Russian office of the State Bank. Besides that, a big difficulty for us today in taking over the functions of the USSR State Bank and as you will recall, in that connection, the resolution proposes that we should effect control over Vneshekonombank [Bank for Foreign Economic Activity] which today is being made into a commercial bank to service the USSR foreign debt. Besides that, you will remember that the decision with regard to the State Bank was a forced one. The Union parliament and the Russian parliament have already learned of two occasions when the State Bank issued credits without their agreement. The first time it was 60 billion, the second time it was 30 billion. That is, this decision was one that was forced upon them. Russia should have a single emission center, and we think that temporary measures for the handing over of these functions will be signed in the very near future, probably an interbank agreement where the State Bank will be transformed into some kind of supra-national body under the leadership of the central banks of the republics which will be members of that banking alliance, and these problems will be resolved. That is, these are temporary measures and an attempt to restrain uncontrolled emissions on the part of Union structures. Besides that, that is temporary, I think in the next couple of months this will be resolved, that a supra-national banking body will be created. That is a temporary norm before the agreement among the republics on creating a single economic space that will be serviced with the ruble and a civilized mechanism for the introduction of national currencies will be provided for in this item."

Security Official on Future of Officers

LD0512184691 Moscow POSTFACTUM in English 1626 GMT 4 Dec 91

[Text] The department head of the Federal Security Agency Colonel Valeriy Pechenkin thinks the institute of secret agents needs to be maintained.

At a press conference on December 3, Valeriy Pechenkin, the new head of the Federal Security Agency department for the Novosibirsk region, said ensuring the country's security is a matter of all of its citizens in some or other measure. Pechenkin thinks the work of secret agents should be legally regulated. He stressed: It is legally sealed in the United States that a criminal, who aided investigating bodies, can have his prison term cut. Pechenkin also said the re-organized security service would not engage in ideological control but the collection of political information would be continued because the government should know what is happening in the country.

According to Pechenkin, Vadim Bakatin began his activity at the post of the USSR KGB chief from destroying the security bodies. [sentence as received] Like any non-professional, the one who does not know the specifics of work, he views complex matters as extremely simple and vice versa, Pechenkin observed. He said that following the August putsch, senior officers in security bodies in Moscow and in provinces were replaced with new people by over 50 per cent. Pechenkin said the staff of the Russian Federation Federal Security Agency would be reduced shortly only on the grounds of age and in accordance with the plan.

Major-General Nikolay Frolov, former head of the Novosibirsk KGB department, who retired at his own request late in November 1992, [year as received] told the press conference the KGB department's archive did not have materials about work with dissidents of the 60s and 70s, whose life was linked with Novosibirsk—Aleksandr Galich, Vadim Delone and Yuriy Orlov. Frolov said the Novosibirsk KGB department did not conduct any work related to these people.

International Affairs

Burbulis Receives U.S. Ambassador Strauss

LD0512183591 Moscow TASS International Service in Russian 1717 GMT 5 Dec 91

[Text] Moscow, 5 Dec (TASS)—Today Gennadiy Burbulis, RSFSR state secretary and first deputy chairman of the Russian Federation's Government, received U.S. Ambassador to Moscow Robert Strauss, at the latter's request.

As reported by the government's press service, in a frank conversation the sides exchanged views on relations taking shape between Russia and the United States; on the new political reality arising on the territory of the former USSR; and on prospects for radical economic reforms, on the path of which Russia has embarked.

Relations between the republics and the center, the fate of the Union treaty, and partnership and cooperation in various spheres of life—these and other problems lay at the basis of the meeting that took place.

Special attention was paid during the conversation to the coming into being of new statehood in Russia, based on the observance of international agreements, protection of human rights, and the development of social initiative and entrepreneurship.

Representative to U.S. Arrives in Washington

LD0512163891 Moscow TASS in English 1257 GMT 5 Dec 91

[By TASS correspondents Aleksey Berezhkov and Aleksandr Korolev]

[Text] Washington December 5 TASS—The first Russian representative, Andrey Kolosovskiy, has been appointed to a diplomatic post in the U.S. capital. He has the rank of minister-counsellor in the Soviet Embassy here. The diplomat was officially presented to the U.S. leadership by Russian Foreign Minister Andrey Kozyrev:

Asked to describe the role Russia's first diplomatic representative is to play in the United States, Kozyrev told TASS that Kolosovskiy's functions were extremely important now, because it was high time to go over from general political discussions to concrete negotiations. "We pin great hopes on our minister-counsellor in this connection. But the question arises: why should he alone establish contacts to ensure economic, social and other reforms in such a huge republic as the Russian Federation? It is logical to inquire what the rest of the embassy's personnel is now doing?

"We are now planning to form a union of sovereign states. Hence, a situation may arise when embassies, both here and in other places, will simply find themselves poised in the air. At best, they are now working for some mythical centre, which far removed from the processes occurring in the republics. I think the embassies must be made to serve the republics, and all our diplomats must work for the Russian Federation and the republics that join the union. No separate embassies are needed.

"The main task today is to change the essence, character and quality of the embassies' work. This refers to the central ministry, too. This is the only way to save our common coordinating mechanism. The embassies will be useful only if the union ministry and the embassies themselves are quickly transformed into a foreign policy establishment and embassies of the republics, that is into their coordinating mechanism. If this is not done, they will become more and more alienated from the actual realities and will finally collapse."

Speaking about his first steps as Russia's diplomatic representative, Kolosovskiy noted: "The goal, set before me, is to go over from the present permanent, but nevertheless limited political dialogue to the practical cultivation of bilateral relations, proceeding from the results of summit contacts with the Americans."

Kozyrev Agrees With Conditions on Western Aid

92UF0278A Moscow TRUD in Russian 30 Nov 91 p 3

[Interview with Russian Foreign Minister A. Kozyrev by correspondent V. Sisnev in Washington; date not given: "Andrey Kozyrev: They Will Not Only Help Us Get Through the Winter"]

[Text] Washington—**Russian Foreign Minister A. Kozyrev has come to the United States to convey to President G. Bush a personal message from B. Yeltsin, the purpose of which is to assure the American leader that Russia has embarked on reforms in earnest and will see them through to a conclusion. The minister also met with other national leaders and also influential congressmen. Before returning home, he gave an interview to TRUD.**

[Sisnev] As I understand it, the purpose of your visit was ultimately to obtain assistance. So, we will receive a further $1.5 billion plus $200 million from Pentagon funds to be spent on the shipment of food and medication. Will this help the "ordinary Soviet" to at least get through the winter successfully?

[Kozyrev] I believe it will. But, speaking of the package of aid measures, mention should also be made of the $500 million being granted to us for the destruction of tactical nuclear weapons. This is vitally important for everyone: God forbid that anyone would take it into his head to use such weapons in a fratricidal struggle or for deterrence. The appropriations from the U.S. Defense Department testify to its confidence. This has become possible merely because great hopes have arisen in the West that democratic Russia will take the path of civilized development. But for us to continue to receive assistance we must be very precise in our fulfillment of the program of reforms: only in this case could the West "enroll" in it. Now, after August, with the start of the democratic revolution in our country, such radical decisions as the allocation of resources from Pentagon funds have become possible.

[Sisnev] Is this the sole concern or are the Americans afraid that there will be in our country on the grounds of starvation an explosion which would bury all the democratic shoots and that chaos, if not something worse, would reign in the former USSR?

[Kozyrev] This is playing a part also. The chance of our democratic development is dear to our Western partners. After all, were some new dictatorship (of a brownish color, most likely) to emerge here, even were it to "restore order" and bring the somewhat weaker republics back into line, it would ultimately necessarily assume an aggressive nature and become dangerous for the democratic world. There is currently a trend toward the idealization of tsarist Russia, but this was a backward regime perceived to a considerable extent as the "gendarme of Europe." The Soviet regime, as soon as it gained strength, also became the "gendarme of Europe." So everything turned full circle, in the worst form. It would be the same with a new dictatorship. It is for this reason that I say that a key to obtaining assistance and to cooperation is political confidence in us.

[Sisnev] Generally, no one doubts that you and your colleagues will succeed in persuading the Americans, Germans, and French and that they will, as it is now customary to say, "unleash" some further billions for us. But we have, after all, already received that. Where is it? Garri Kasparov recently recalled on the television program 'Crossfire" that the West's multimillion-dollar assistance for the Armenian earthquake victims had vanished into the ground and warned that the new assistance could be looted likewise. So it is not a question of how much it is possible to "shake loose" but of how much those in need will actually get.

[Kozyrev] Before my departure, this problem was discussed by the Russian Government, and it was decided that Rutskoy would be in charge of the work on the creation of a distribution system. I have been asked very insistently about this here. Assurances of equitable distribution are a condition for rendering humanitarian assistance. We have abused the West's benevolence and devalued our appeals for assistance. Representatives of the Union would come here over the course of several years (it is not a question of the confrontation of the center and the republics here, it is simply that no one else came) and say a few words about reform and about our needs. There was a response to this here, but reform did not commence, and the humanitarian assistance disappeared into the sand, more simply, was looted or was spent on some party or other unknown needs. All this has been seen here, and we are no longer taken at our word, thank God. This is, in principle, correct. Certain conditions are specified, and I say frankly: this is right, do not give us anything just like that. I am reproached with anti-patriotism for this, but I believe that this is false "patriotism." If we tell lies one more time, we will receive nothing more.

So, the conditions. I have already cited one: a precise distribution mechanism. An important component of it should be the direct participation of the "donors" themselves, be they government or public organizations. I see nothing demeaning in this. As far as humanitarian assistance is concerned, incidentally, public organizations predominate, and this is good: They have a wealth of experience in rendering such assistance in many countries. Supervision on their part will not do any harm. There is no reason for us to fear an extra eye at all stages—from the time the freight arrives in Russia through the receipt by the needy, the elderly, large families, and children's institutions of what has been sent.

The second condition: Our democratic organizations should be actively involved in order for the creation locally of action committees which would undertake distribution of the aid to the right addresses. Supervision cannot be left in the hands of government officials.

One other condition: It may be obtained on credit, but the creditor must know precisely who will return his loan. The center has failed to cope with this. The republic governments must guarantee the payments. A specific manager, sovereign in the full sense, is needed—the Russian Government in this case.

Given compliance with the said conditions, people are ready to help us on the humanitarian level with advice and with credit. In a word, help us not only to get through the winter, I emphasize again, if our words are followed by practical action like the Russian Government intends.

[Sisnev] And the main perception with which you are leaving the United States?

[Kozyrev] The credit of political trust in the Russian Government is quite high.

Russia, Hungary Sign First Interstate Treaty

LD0612123191 Moscow All-Union Radio Mayak Network in Russian 1000 GMT 6 Dec 91

[Text] In St. Vladimir's Hall inside Moscow's Grand Kremlin Palace, the signing of the first interstate treaty between Russia and the Republic of Hungary took place today. Our correspondent Igor Sidorovich is there now. Over to him:

[Sidorovich] The treaty was signed by Hungarian Prime Minister Jozsef Antall and Boris Nikolayevich Yeltsin, president of the Russian Federation. Incidentally, this is not only the first treaty; it is, in general, the first visit to the Soviet Union by the head of the Hungarian Government since the change in the social system that has occurred in Hungary. Before the proclamation of the Hungarian Republic in October 1989 at the congress of the Hungarian Democratic Forum, Jozsef Antall told the USSR ambassador in Budapest: If you free us from our chains, Hungary will extend the hand of friendship to you.

In fact, over the past 18 months some tension has been observed in Hungarian-Soviet relations. This was not in the least connected with any warnings or negative attitude on the part of many Hungarian authorities toward our country. It is simply that Hungary preceded others in seeking the dissolution of the Warsaw Treaty Organization, and, what is more, it even stated all the time that, if the organization were not abolished, Hungary would leave it unilaterally. Hungary also insisted on the curtailment of CEMA's activities. Later it insisted on the rapid withdrawal of Soviet troops from Hungary. The main thing, though, is that Hungary could not sign such a treaty previously, since, according to the old draft, the former draft, of the treaty, Hungary did not have the right to join the European Community. Now all of these obstacles have been removed, and Jozsef Antall is in Moscow.

His visit started quite symbolically. It began with a symbolic gift. Joszef Antall presented Presidents Gorbachev and Yeltsin with medals depicting two hands in a firm handshake. The schedule—the visit is planned to last only 24 hours—is very packed. The Hungarian prime minister has already had talks with Mikhail Sergeyevich Gorbachev. A treaty on the fundamentals of good- neighborliness and cooperation between the USSR and the Republic of Hungary has been signed. A similar treaty has just been signed with Russia, and the Hungarian premier is expected to sign a document on the establishment of diplomatic relations between Hungary and Russia.

On completion of the talks in Moscow, Antall will set off for Kiev, at approximately 1400, or more precisely, at 1400 Moscow time. In Kiev, he is scheduled to meet Ukrainian President Kravchuk.

Establish Diplomatic Relations

AU0612152491 Paris AFP in English 1511 GMT 6 Dec 91

[Text] Moscow, Dec 6 (AFP)—Russia and Hungary agreed Friday [6 December] to establish full diplomatic relations and Russia will send an ambassador to Budapest, a Russian government spokesman said.

With the agreement, signed by Russian President Boris Yeltsin and Hungarian Prime Minister Jozsef Antall, Hungary became the first foreign country to establish independent diplomatic ties with Russia.

Yeltsin described the situation in Russia as "difficult" and said his visit to Budapest, scheduled for the end of December, could be delayed.

Kuril Islanders To Petition for UN Protection

PM0512130191 Moscow IZVESTIYA in Russian 4 Dec 91 Union Edition p 1

[Report from the IZVESTIYA, RUSSIAN INFORMATION AGENCY, INTERFAX, REUTER, and SNARK Roundup]

[Text] The inhabitants of Kunashir, one of the four islands which are the subject of the territorial dispute between the USSR and Japan, have begun collecting signatures for an appeal to the United Nations.

The appeal rejects both Soviet and Japanese jurisdiction and contains a request to the United Nations to take the South Kuril islands under international guardianship under UN auspices.

Kamchatka Soviet Rejects Return of South Kurils

LD0612030991 Moscow Radio Rossii Network in Russian 1100 GMT 5 Dec 91

[Text] The presidium of the Petropavlovsk-Kamchatka city soviet has made a statement on the impermissibility of transferring the South Kuriles to Japan. The islands are an inalienable part of Russia. Attempts to review borders usually lead to new wars. Transferring the islands will inflict irreparable damage to the politics and economy of Russia, and the national feelings of Russians, says the statement.

Further on Island Transfer

OW0512173291 Moscow INTERFAX in English 1515 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] The Petropavlovsk-Kamchatsky city council has declared that the 4 southern islands of the Kuril chain are an inseparable part of Russia, and that their transfer to Japan would cause irreparable damage to the policy and economy of the Russian Federation and to the feelings of the Russian people.

According to the statement adopted by the city council, Russia would lose along with the islands the adjoining 200-mile economic zone which would inevitably affect Kamchatka's economy which is based largely on the fishing and fish processing industry.

The transfer of the islands would create a precedent for further annexations of Russian territories which would entail unpredictable consequences, the document says. According to it, Russia can exist only as a unified and indivisible state.

Economic Agreement With Latvia Signed

LD0512195691 Moscow TASS International Service in Russian 1843 GMT 5 Dec 91

[By TASS correspondent Aleksandras Budris]

[Text] Moscow, 5 Dec (TASS)—A meeting between the leaders of the RSFSR and the Latvian Republic took place in Moscow today. It resulted in the signing of an intergovernmental agreement on the principles of economic cooperation between the two states for 1992.

While speaking to journalists after the meeting, RSFSR President Boris Yeltsin, revealed that in addition to this document indicative lists on goods to be exchanged on a clearing basis at world prices should be prepared by the end of the year. According to Yeltsin, the existing provisional intergovernmental commission will become a permanent working one in the future and will control the fulfilling of mutual obligations.

Boris Yelstin and Anatoliy Gorbunovs, chairman of the Latvian Supreme Council, also signed a communique today. The sides underlined in the document the necessity of the transition from the "limited" treaty, which had been signed in the winter of this year, to a comprehensive interstate agreement which would take into account economic, political, and military issues as well as problems of citizenship, borders, and migration of the population.

Yeltsin Comments

OW0612091091 Moscow BALTFAX in English 2000 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] On December 5th Russia and Latvia signed in Moscow an intergovernment agreement on the principles of economic cooperation for 1992. After the signing ceremony Boris Yeltsin told BF's [BALTFAX] correspondent that the document reflects the latest economic and political changes in both republics. "However, Latvia is already de-facto independent and we are still fighting against certain central structures," he noted. He also said that a number of more specific trade agreements between the two independent states on the basis of clearing and world prices is to be signed in future.

The two sides have also signed a communique on the results of Thursday's [5 December] meeting between Boris Yeltsin, head of the Russian parliament Ruslan Khasbulatov, first deputy Russian Premier Gennadiy Burbulis and Chairman of the Latvian parliament—Anatelijs Gorbunovs—and Latvian Premier Ivars Godmanis. The communique points out that the January 13, 1991, intergovernment treaty between Russia and Latvia will be presented to the Russian parliament for ratification soon. It will serve as a basis for concrete economic and political bilateral treaties.

Asked by BF's correspondent if Latvia intends to lay territorial claims to Russia, R. Gorbunovs said: "Latvia has not laid formal territorial claims to Russia. However, the issue will be discussed and corresponding agreements will be concluded."

Further on Agreement

LD0512231491 Moscow Russian Television Network in Russian 2100 GMT 5 Dec 91

[From the "Vesti" newscast]

[Text] The Latvian leaders, Gorbunovs and Godmanis, came to Moscow today to meet President Yeltsin.

[Correspondent Shashkov] It took Boris Yeltsin and Anatoliy Gorbunovs no more than one and a half hours of talking to sign an agreement on the principles of economic cooperation between the two states for the year 1992. Its main principle is delivery of goods on the basis of clearing, with equal rights and at world prices. Latvia will have to make an effort to achieve such cooperation.

[Begin Gorbunovs recording] It is for the first time that we are approaching this so carefully in order to reach agreement on a mutually beneficial basis, on an equal basis, all the gives and takes are being calculated, and unfortunately the balance is not, so far, in favor of Latvia. [end recording]

[Shashkov] However, everybody has their own advantages, and Boris Yeltsin does not conceal a certain degree of envy.

[Begin Yeltsin recording] Well, the relations are now on a state-to-state basis, they are indepenent, and the Latvian state has already become such a state in actual fact, while we are still battling with some of the central stuctures. [end recording]

[Shashkov] Boris Yeltsin and Anatoliy Gorbunovs also drafed ways toward another agreement which would include, alongisde economic issues, certain political and military questions, as well as questions of rights and citizenship.

[Begin Yeltsin recording] Like a real, all-around treaty between two sovereign, independent states. [end recording]

Deputy To Call for Sanctions Against Latvia

LD0612100691 Moscow Radio Rossii Network in Russian 1800 GMT 5 Dec 91

[Text] RSFSR People's Deputy Sergey Baburin has stated his intention to call on all of West Siberia to support Tyumen oblast's economic sanctions against Latvia. On 1 December Tyumen oblast's works stopped the shipment of output to Latvia. This is connected with the demand to return to Russia Sergey Parfenov, deputy commander of the former Riga Special Purpose Militia Detachment, who, as is known, is under arrest in Latvia. In Baburin's view, Parfenov has been arrested illegally. If Russia's parliament and government are unable to defend him, only the path of economic sanctions remains, Sergey Baburin believes.

Yeltsin Adviser Approves Treaty With Estonia

LD0612045791 Tallinn Radio Tallinn Network in Estonian 1300 GMT 5 Dec 91

[Text] The BALTIC NEWS AGENCY reports that a study by an expert commission carried out on the treaty on Estonian-Russian interstate relations has demonstrated that the present treaty fully meets the interests of Russia. In connection with the results of the study the treaty will soon be presented to the Russian Supreme Soviet. This was stated by Aleksandr Granberg, adviser on interrepublican relations to the Russian president. Granberg recalled that during a recent visit to Estonia he signed a memorandum in which non-Estonian deputy groups at the Estonian Supreme Council had agreed that the interstate treaty be ratified by the Russian Supreme Soviet. An address to the same effect from two Supreme Council deputy groups was due to have been handed over to Russian people's deputies yesterday by Pavel Grigoryev.

Yeltsin's Visit to Germany Termed 'Success'

PM0612105191 Moscow NOVOYE VREMYA in Russian No. 48, Nov 91 (Signed to Press 26 Nov 91) p 21

[Correspondent Dmitriy Pogorzhelskiy article under the "Russia-Germany" rubric: "Deutsche Mark in No Hurry To Go to Moscow. The 'Honecker in Exchange for Billions' Deal Did Not Happen. Nevertheless, Boris Yeltsin's Visit to the FRG Was a Success"]

[Text] Bonn—Approximately last spring Bonn began thinking seriously about the extent to which it was necessary to restructure its Moscow policy, gearing it to relations with the republics. It was clear to everyone here that the collapse of the Union was inevitable, and the only question was one of the speed at which this would happen. Of course, Germany would have preferred to deal with a unified Soviet leadership, preferably one with Mikhail Gorbachev at its head. For all his obvious blunders and mistakes, Gorbachev remains for the Germans a predictable politician who enabled Germany to unite, but this is not the only reason. Bonn, as well as the capitals of other European countries, is really alarmed at the possible claims of Ukraine and Kazakhstan to the ownership of nuclear weapons. The fears over this appear to have been dispelled, but a mass of other questions remains.

Boris Yeltsin's visit was important to Bonn, above all, from the viewpoint of personal acquaintance—which plays a considerable role in politics. It was important for the Russian president to show his profile worthily. The decision to surrender Erich Honecker to German justice and the decree on measures to create a most favored nation regime for foreign capital in Russia had been designed to create a good background to the visit, which Yeltsin, according to him, had set out to make but without cap in hand.

Still he asked for money and assistance, and he urged the captains of German industry to come to Russia, promising tax breaks and other advantages. The appeals, however, did not elicit the expected response: There is no point in expecting investments until a market economy has been introduced, and capital needs political stability, which is also in short supply in our country. Of course, this does not rule out the participation of individual firms and companies in particular projects in Russia, above all in the sphere of power generation, or the modernization of the Moscow-St. Petersburg railroad. Russia will also receive humanitarian assistance, but it should not count on abundant financial and economic injections.

First, Germany's potential is finite and the transformations in the new federal lands demand huge investments. The deferment by one year in paying off the Union's debts—on which Gorbachev reached agreement with representatives of the G-7—means that Germany's budget revenue will be approximately 1 billion marks short; this is a sizable amount, but Bonn is reconciled to this.

Second, the impression is being formed that Moscow is forgetting that Warsaw, Prague, and Budapest, not to mention Sofia and Bucharest, would like the streams of Deutsche marks to flow in their direction.

Third, Bonn wants to involve its EC partners in support for the reforms—which is not happening yet. Occupied with their own problems, they are not burning with a desire to invest funds in East European reforms—least of all Soviet ones—until the situation has been clarified.

Bonn was reckoning that the Russian president would bring with him a definitive solution to the problem of the Soviet Germans—a painful problem for Germany. It was even expected that an agreement on this would be signed during the visit, but Yeltsin's interview, shown on television on the eve of the visit, was confusing to the people. People here regarded his statements as revealing an intention to resettle the Germans once again—moreover, to the desert, salt-marsh lands of the former military test site at Kapustin Yar, which are hardly suitable for housing. The head of Russia had to try to justify himself saying that he had been misunderstood and that he was in favor of providing the Germans with 3,000 square kilometers near Volgograd—this is approximately equal in area to the federal Saarland. It was on this that they decided, recording a corresponding point in the joint statement. Bonn is allocating tens of millions of marks to create a republic of Soviet Germans, but all the same, it is preparing for the fact that tens of thousands of new settlers will prefer the well tended Rhine valleys.

There is evidently one German for whom they will wait in vain in Germany. Yeltsin did not bring the aged Erich Honecker with him, and thank God! For all the cynicism of politics as such and its poor compatibility with morality, this step would have signified overt haggling on the part of the Russian leadership: You scratch our back, and we will scratch yours. Moreover, paradoxical though this may seem, the red tape over Honecker suits Bonn because the German leaders find themselves in a ticklish position: They cannot fail to demand him, but a handover also promises considerable trouble. I believe that if he turns up here, the Federal Court will most likely not put him behind bars, and problems will begin over what to do with the old man.

So acquaintance has taken place, and the sides seem content. Bonn politicians were won over by the directness and frankness with which Boris Yeltsin portrayed the situation in Russia and the Union. The documents that were signed, so people in Russian Moscow recall, are just the start of an expansion of cooperation in all areas.

A difficult dilemma remains for Bonn: Whom should it back in the new geopolitical game being played out before everyone's eyes? President Gorbachev's position is increasingly resembling the situation with the Cheshire cat—the cat vanishes, but the smile remains. President Yeltsin, for all his modest experience of walking on the parquet flooring of politics and his certain straightforwardness, is becoming a real political partner.

Local Affairs

Krasnodar Kray Decree Said To Contravene Laws

PM0512152391 Moscow ROSSIYSKAYA GAZETA in Russian 4 Dec 91 First Edition p 2

["Own Information" report: "In the Monitoring Department of the RSFSR President's Administration"]

[Text] V. Dyakonov, head of Krasnodar Kray Administration, drastically took power into his hands in October, adopting a resolution on temporary restrictions on exports of agricultural output from the kray and the RSFSR. Local structure subdivisions were directed to work out their own tax on the export of industrial goods and foodstuffs, organize checkpoints and mobile militia and customs service posts, and form permanent operational groups at militia checkpoints, airports, and railroad and harbor terminals. State security organs were instructed to organize, with help from Army subunits, mobile groups in the kray's border regions to ensure the safety of kolkhoz and private farm property and to carry out operational search measures.

Every single clause in the adopted resolution is a flagrant violation of the RSFSR Law "On RSFSR Kray and Oblast Soviets of People's Deputies" and the RSFSR president's directive "On the Activity of the Customs Service on RSFSR Territory," and exceeds the authority envisaged by law for a head of administration.

The resolution adopted by the Krasnodar Kray leadership was examined in the Monitoring Department of the RSFSR President's Administration and, in view of its contravention of existing legislation, its repeal was proposed. V. Dyakonov, head of Krasnodar Kray Administration, must report to RSFSR Chief State Inspector V. Makharadze by 5 December on the implementation of this decision.

Border Post Set on S. Ossetia-Georgia Line

LD0512225491 Moscow Radio Rossii Network in Russian 1000 GMT 5 Dec 91

[Text] A border post bearing the Russian coat of arms was set up on 4 December 26 km from Tskhinvali along the border between South Ossetia and Georgia. Next to the post is a barricade constructed by the Ossetian home guard and a Soviet Army post is also located there.

North Ossetians Demand Meeting Russian Leaders

OW0612022791 Moscow INTERFAX in English 1515 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] Since Thursday [5 December] morning the RSFSR House of Soviets has been picketed by representatives of North Ossetia who display banners reading: "Ossetia has for centuries allied with Russia," "Don't push the Ossets toward the Yugoslav road of struggle," "Georgia's prosperity cannot be built on the blood of the Ossets and the Georgians," "Russia, stop the genocide of the Osset people." The action is staged by the North Osset organization of army veterans and pensioners.

The picketers are demanding a meeting with the leadership of the Russian Federation.

Internal Affairs on Chechen-Ingush Report

LD0612031491 Moscow Central Television First Program Network in Russian 1000 GMT 5 Dec 91

[From the "Television News Service" program]

[Text] Yesterday the press center of the Russian Ministry of Internal Affairs refuted a report published earlier on a stabilization of the crime situation in Checheno-Ingushetia that has purportedly taken shape. A special document issued by the press center states that Dudayev is losing control of the republic. The number of murders in Groznyy has increased sharply. Two days ago, for example, the chairman of the court was shot at home in his apartment. A member of staff of the Criminal Investigation Department was also shot. Even now 12 corpses remain in the Groznyy morgue, mutilated beyond recognition. Those who perished have not been identified. In the town of Nazran 16 people were wounded as a result of exchanges of fire.

Chechen Leader on Russian Delegation Letter

OW0612044791 Moscow INTERFAX in English 1730 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] Thursday [5 December] a group of the RSFSR Supreme Soviet experts returned to Moscow from Chechen-Ingush. The group had a letter from deputy chairman of the RSFSR Supreme Soviet Yuriy Yarov to the Chechen leader Dzhakhar Dudayev. It is reported that Mr. Dudayev refused to accept the missive that covered the preparation of talks between the Russian parliamentary delegation and the main political groups of the Chechen-Ingush republic and asked for aid. It is also reported that he is dissatisfied with the results of visits by Russian parliamentarians to Chechen-Ingush.

Ingush Leader on Tensions With North Ossetia

PM0512155091 Moscow MOSCOW NEWS in English No. 47, 24 Nov-1 Dec 91 p 7

[Unattributed interview with Ingushetia Executive Committee Chairman Issa Kodzoyev; place and date not given: "We Can't Promise Peace"—first two paragraphs are introduction]

[Text] The Ingush-Ossetian conflict over the Ingushes' demand for the return of lands which belonged to Checheno-Ingushetia prior to the deportation of their peoples in 1944 is one of the sorest problems in the Northern Caucasus.

This is what Issa Kodzoyev [I.K.], Chairman of Ingushetia's Executive Committee, told our "MN" [MOSCOW NEWS] correspondent.

MN: Don't you think the annulment of decree on the imposition of an emergency in Checheno-Ingushetia is a sign of weakness?

I.K.: It is both silly and reprehensible to think that. It means prodding the Russian parliament towards vigorous action. We are talking about peoples, not older and younger brothers. Crushing them verbally or physically will not solve anything. Everything being done now is done on Yeltsin's behalf. But he may be misinformed. He even came here accompanied by our Ingush partocrats.

MN: Why have tensions exacerbated between Ingushetia and North Ossetia?

I.K.: We only request the fulfillment of Russia's law on the rehabilitation of victimized peoples. We want the return of the lands taken from us in the 1944 deportation and turned over to North Ossetia. Our homes and our graves are in these lands. The Ingushes are sometimes depicted as cowboys, but actually we are miserable people who have been made to defend ourselves.

Yesterday we sent a delegation to North Ossetia and warned them: if they continue deploying troops (sent after the imposition of an emergency in Checheno-Ingushetia—Ed.) we cannot promise them peace.

MN: But no one even asked North Ossetia when troops were being sent there.

I.K.: Let them call a session and suggest that the troops leave. Even considering they have taken half the territory from us, we shall not permit troops to be sent there from Ingushetia.

MN: And will you work to resolve the territorial problem in a peaceful way?

I.K.: For the time being. Although the issue already seems to have run off the rails. But we shall go on trying.

Sobchak Comments on Possibility of Military Coup

PM0512155891 Paris LE FIGARO in French 4 Dec 91 p 6

[Interview with Anatoliy Sobchak, mayor of St Petersburg, by Laure Mandeville in Paris—date not given]

[Text] [Mandeville] How should Russia react to Ukrainian independence?

[Sobchak] The administrative borders of the Ukrainian republic were drawn by the Bolshevik regime in the interests of that regime. In 1923, the Bolshevik party's central committee suddenly decided to give several Russian regions (known under the name of Novorossiya) to the Ukraine—the Donetsk mining region, the Kharkov region—in short, industrial regions whose population is still overwhelmingly Russian. The Bolsheviks' underlying idea was to create a large working population in the Ukraine in order to more easily establish Soviet power there. The result was that purely Russian provinces were included in the composition of the Ukraine.

[Mandeville] What will Russia do?

[Sobchak] Russia's reaction is not the essential question. What is fundamental is the Russian population's reaction to those regions. I am well acquainted with the situation in the Crimea, because I have been there often. Almost 95 percent of the inhabitants of the Crimea do not speak Ukrainian. However, the Ukrainians are trying to introduce the use of the Ukrainian language into enterprises, on board ship, in the municipal councils. There is a threat of forced Ukrainianization.

[Mandeville] Has not the Ukrainian leadership introduced a program aimed at protecting the rights of national minorities?

[Sobchak] Perhaps, in the Crimea's case, it has decided to allow the use of the Russian language, but there are other very worrying specific examples.

[Mandeville] You have met with Ukrainian President Kravchuk many times. Do you think he will negotiate with Russia?

[Sobchak] If the Ukraine agrees to be part of a new confederal union and of an economic community, the borders will not be touched.

However, the situation will be completely different if the Ukraine secedes and refuses to join a new political pact. In that case, Russia will immediately make territorial demands. It is difficult for me to predict how the conflict will develop, but it cannot be ruled out. The outlook is particularly dangerous in view of the nuclear weapons which are held by both republics.

[Mandeville] Do you really think that there is a real nuclear threat if the Ukraine leaves the Union?

[Sobchak] No, I do not think so, but when I observed the development of events in Croatia, I immediately thought about what would have happened if Croatia had had nuclear weapons. In my view, what is happening between the Serbs and Croatians should prompt us to think about Russian-Ukrainian relations.

[Mandeville] What if no political union emerges on the territory of the former USSR?

[Sobchak] I rule out that possibility, it would be fatal for the republics and very negative for the international community. The USSR has obligations toward the outside world—financial, political, and military. It has signed disarmament agreements, and international conventions on human rights. All those rights are now being violated in the republics. Even in Lithuania, where the Russian and Polish minorities are oppressed. On the pretext of sacking former Communists, Poles and Russians are being replaced by Lithuanians.

[Mandeville] Many bureaucrats in Russian and Polish districts supported the August putsch.

[Sobchak] On the other hand most rejected it. No, this is anti-Russian discrimination.

[Mandeville] Why is Russia so anxious to recreate a political union on the ruins of the former USSR? Does it really need to link its destiny to that of Azerbaijan or Georgia?

[Sobchak] Think of the tens of millions of Russians who live outside Russia and you will understand. Can we abandon them, leave them at the mercy of any national conflict? Some republican politicians, in Baku and elsewhere, have no hesitation in threatening their Russian minority to influence our government. We eventually hope to be able to gradually repatriate all those who so desire. A program has been drawn up, but it requires financial resources which we do not have.

[Mandeville] Is your country not heading for chaos or for a military coup?

[Sobchak] It is to avert chaos that we must create a union structure. If we do not succeed in reaching agreement, chaos will ensue. This chaos will, in turn, bring a desire to restore order. I do not think a military putsch can be ruled out. This time, if it happens, it will be supported by the population. The August 1991 coup d'etat failed because it was communist, but a military dictatorship with the sole avowed aim of restoring order has a chance of succeeding.

[Mandeville] What do you think is the feeling of the upper echelons of the military?

[Sobchak] There is a very ancient rule—never push the army too far. When it is stripped of all social protection, status, pay and housing, when it is forced to intervene in ridiculous conflicts on the orders of stupid politicians, it rebels. It aspires to change the situation.

[Mandeville] What can you as mayor of St. Petersburg do to stabilize your city's economic situation?

[Sobchak] I am trying to create a social policy to counterbalance the effects of the Russian economic reform. The lifting of price controls is inevitable. I approve of it, but I do not agree with the methods used to achieve it. Why announce that a price increase was imminent so soon? The people have been waiting for almost a month. The result is that the producers are refusing to sell their products. For instance, it is estimated that the meat supply has fallen by half in a month. If that continues, we will starve to death.

[Mandeville] The symbolic rebirth of St. Petersburg was a celebration, but remembering can be a painful process.

[Sobchak] That is a real question. Our society is sick. Healing and recovery is always a painful process. I think that our people have to go through a period of repentance. If there is no repentance for the millions of innocent people who perished under communism, we will have no future. Take Germany: The Germans were faced with the same crucial choice—the urgent need to repent after fascism. In West Germany there was repentance, but did that happen in East Germany? No! That is why we are now seeing two peoples, who have the same culture, the same language, and the same history, but who speak totally different languages. Faced with economic problems, the East Germans are responding by nationalism and racism. This search for the enemy is perhaps communism's most terrible legacy. The Communists have always needed an enemy.

Sobchak Secures Swedish Aid Agreement

LD0612053491 Moscow TASS International Service in Russian 1136 GMT 5 Dec 91

[By TASS correspondent Dmitriy Gorokhov]

[Excerpt] Stockholm, 5 Dec (TASS)—Sweden will help St. Petersburg with food and medicine. The country's state authorities and public organizations will take part in this humantitarian action. This is a result of a brief visit by Anatoliy Sobchak, the city's mayor, to Stockholm which ended today. [passage omitted]

St Petersburg Official on Defense Conversion

OW0612013791 Moscow INTERFAX in English 1515 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] St. Petersburg Vice-Mayor Admiral Vyacheslav Shcherbakov said in an interview with IF [INTERFAX] that the City Hall did not plan to harmonize its regional conversion effort with the Union Defense Ministry. According to Mr. Shcherbarkov who supervises the regional conversion, the earlier attempts by the City Hall to come to an agreement with the USSR Defense Ministry on the implementation of the agreements to have the city industry demilitarized have not been successful.

According to the vice-mayor, further consultations with the Union Defense Ministry "would make no sense at all and can only put a brake on the realization of our ideas concerning defense conversion because the Union Defense Ministry is simply not interested in re-orienting the local military-industrial complex."

Moldova

Republic Reacts to Gorbachev's Call

OW0512174991 Moscow INTERFAX in English 1515 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] Speaking over national radio Aleksandr Moshanu, chairman of Moldova's parliament, said, that Moldova decided how to overcome its crisis by adopting its declaration of independence. It was his answer to the USSR President Mikhail Gorbachev's call for joining efforts with a view to overcoming the crisis.

As for the reaction of MP's [members of parliament] to Mikhail Gorbachev's call, said Aleksandr Moshanu, it will be known on December 10, when they gather for a parliamentary session.

Official Opposes Nonparticipation in Elections

AU0512153291 Bucharest ROMPRES in English 1438 GMT 5 Dec 91

[Excerpt] Chisinau [Kishinev], ROMPRES 5/12/1991—"Noting the statement made public during the December 1, 1991 demonstration organized by the "16 December" National Alliance on the decision of a number of deputies in the Parliament of the Republic of Moldova to create, together with Parliamentarians in Romania, the National Council of the Union, I declare that I recognize and respect the legitimate rights of citizens, of deputies included, to free association and political option," shows an appeal by the president of the Parliament of the Republic of Moldova, Mr. Alexandru Mosanu, released by MOLDOVA-PRES. "However, in the conditions of a state of law, which we wish to build," Mr. Mosanu added, "the problems related to our national future are exclusively for the competence of parliament."

"The calls to non-participation in the December 8 presidential elections are dangerous and tantamount to failure to observe the laws in force which provide for a presidential form of government, and the talks on this topic are useless," the appeal further reads. [passage omitted]

Republic May 'Liberalize' Prices 1 Jan

OW0612013991 Moscow INTERFAX in English 1515 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] "Russia's decision to liberalise prices forces us to follow suit," said Moldova's deputy finance minister Aleksey Chemyrtan to IF [INTERFAX].

A session of the republican parliamentary budget and financing commission said that the decision to liberalise prices is likely to take effect on January 1, but the step may be brought forward if the other republics free their prices. "Moldova will not deregulate the prices of essential foodstuffs, oil products and electricity," said Mr. Chemyrtan.

Ukraine

Kravchuk Inaugurated, Holds News Conference

LD0512180891 Moscow All-Union Radio Mayak Network in Russian 1640 GMT 5 Dec 91

[Text] We are expecting our Kiev correspondent, Vladimir Sokolov, on the line. A ceremonial event is supposed to be taking place in the Ukrainian capital today. We can hear you.

[Sokolov] Quite right. The ceremonial session of the Ukrainian Supreme Soviet, attended by representatives of all the Ukraine's oblasts and of the republics of the former Union and by foreign guests, was devoted today to the results of the recent referendum on Ukrainian independence and of the election of its president.

Vitaliy Boyko, the chairman of the Central Electoral Commission, read out the definitive figures by which the people of the Ukraine had consolidated its independence and elected Leonid Makarovich Kravchuk, chairman of the Supreme Soviet, as its first president. Bokyo emphasized that these results have, in practice, annulled the results of the preceding referendum in March on the preservation of the USSR.

The president took the constitutional oath. The president swore on the Constitution of the Ukraine, and an ancient gospel was open beside it.

Then, numerous congratulatory messages were heard, including one from Russian President Boris Yeltsin, which was read out by Leonid Smolyakov, his permanent representative in the Ukraine:

[Begin Smolyakov recording] Dear Leonid Makarovich, I congratulate you sincerely on your popular election as president of the independent Ukraine. Your victory in the first round of voting indicates the high degree of trust that the citizens have in you personally and in the political line that you are pursuing. Let me take this opportunity to confirm that in the new phase of relations, which began on 1 December, Russia will remain firmly committed to the dynamic development of comprehensive relations between our states, on the basis of the agreed principles. I express the hope that the Ukraine and Russia, fraternal Slavic states, will continue to proceed together along the road of reforms, for the sake of the prosperity of their citizens. I wish you, Leonid Makarovich, great successes in your new state post, good health, and well-being. Respectfully yours, Boris Yeltsin, president of the Russian Federation. [applause] [end recording]

[Sokolov] Leonid Kravchuk then delivered a policy statement, in which he stressed especially that the

Ukraine will henceforth build its domestic and foreign policy from a position of complete independence. The president described measures for a rapid switch to market relations and the integration of the Ukraine into the world community as his immediate steps.

Then the Supreme Soviet adopted an appeal to the parliaments and peoples of the world, in connection with the proclamation of the Ukraine's independence. It says, in particular: The Ukraine considers the treaty of 1922 forming the USSR and all subsequent constitutional acts of that Union invalid and inoperative in respect of itself. In other words, it declares officially that the Ukraine henceforth does not belong to any of the political structures of the former Union.

After the ceremonial session was over, during the business part, a majority of deputies elected Ivan Stepanovich Plyushch to replace Leonid Kravchuk as chairman of the Ukrainian Supreme Soviet. Until now, Plyushch was the first deputy chairman.

Leonid Kravchuk also held his first news conference as president. It was attended by numerous Ukrainian and foreign journalists. This has only just ended. Answering questions, the president said that his priority in this lofty post would be unswervingly to uphold the Ukraine's independence. His first acts would be to strengthen all levels of executive authority and to take the necessary steps toward the Ukraine's economic recovery, relying on the current Cabinet of Ministers, without any changes in its leadership whatsoever.

Referring to his meeting in Minsk the day after tomorrow with the president of Russia, Yeltsin; and Shushkevich, the chairman of the Belorussian Supreme Soviet; Leonid Kravchuk explained that they would discuss urgent questions concerned with the forthcoming deregulation of prices. That is what happened in the Ukraine today.

Kravchuk Speech on Domestic, Foreign Policy

LD0612003691 Kiev Radio Kiev in English
2200 GMT 5 Dec 91

["Program" speech by Ukraine President Leonid Makarovich Kravchuk in Kiev on 5 December; recorded passages, in Ukrainian, fading to English translation, contained within quotation marks]

[Excerpt] [passage omitted] "In this speech I would like to touch upon the key factors of the domestic and foreign policy of Ukraine which will be carried out by its president. Ukraine is a full fledged independent state. Only the Constitution and the laws of Ukraine are valid on its territory. It is a full fledged subject of international relations. It is an open, democratic, legal state in which man is the primary value. We shall build a socially oriented economy which works for the benefit of man and not at the expense of man. All the forms of property known to civilization will exist on Ukraine's territory. Land will belong to those who work it.

"The creation of the national economy requires the introduction of a national monetary unit. Transition to this unit will be carried out so that people would not lose the money they earn easily. We shall change the principle of the formation of the state budget, simplify the taxation system, and lower the level of taxes. Any administrative restrictions of people's incomes will be abrogated. Those who are not able to ensure their minimum living wage will be assisted by the state, which will set up a system of social guarantees and protection. We shall build an economy of a broad type with vast involvement of foreign capital, production methods, and intellect combined with the effective protection of the national market and national economic (?index). [word indistinct] will be created for Ukrainian and foreign businessmen.

"We shall build a sovereign, independent, legal system. In the near future I will submit concrete proposals concerning the structure of presidential power and further reforms of all the bodies of power for the sake their consolidation. Our primary task is to work out a program of reorganization of the entire educational system. I would like to reiterate the invariability of my stand in relation of religious questions. My stand is: Free church in a free state.

"Especial attention will be paid to guaranteeing free cultural development of national minorities, ensuring equal rights for citizens of Ukraine regardless of their nationality, sex, speech, social status, political convictions, religion. Very soon the Declaration of Human Rights and Freedoms will be approved in Ukraine. Its provisions will [be] included in the republic's Constitution.

"As far as our foreign policy is concerned, it will be based on three prinples: Principled approaches, predictability, and pragmatism."

Further on Leonid Kravchuk pointed out that Ukraine will unconditionally recognize the principles [word indistinct] in international law. The foreign policy of independent Ukraine will be built on international standards in the field of human rights.

As far as the territorial integrity of Ukraine is concerned, Leonid Kravchuk said:

"Ukraine has no territorial claims to any neighboring country and does not admit any claims on their part. We again declare that Ukraine should in the near future become a nuclear-free and neutral state. We regard nuclear arms of the former Union on our territory as such which are stationed temporarily. Ukraine will insist that it should have political control over its non-use."

Our objective, said Leonid Kravchuk, is the destruction of all nuclear arms in Ukraine and turning Ukraine into a nuclear-free zone. "We also consider it necessary to fulfill the provisions of the 1990 Treaty on Conventional Armed Forces in Europe. The armed forces of Ukraine, which will be set up in place of the Armed Forces of the former Union, with the sole aim of protecting Ukrainian independence, sovereignty, territorial integrity, and inviolability of its borders. [sentence as heard] Its armed forces will only be used for defense purposes."

While analyzing relations with Russia, Leonid Kravchuk pointed out that Ukraine has common economic, political, military-strategic interests with Russia, common history, cultural traditions. Besides, 12 million Russians live in Ukraine, so as Ukraine's president he sees the republic as the country of Ukrainians, Russians, and people of other nationalities. This is why, said Leonid Kravchuk, I believe in good relations between the Ukraine and Russia. [passage omitted]

Kravchuk on Refusal To Sign Union Treaty

OW0512214691 Moscow INTERFAX in English 1730 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] The Ukraine's President Leonid Kravchuk said that he would not sign the Union Treaty.

"During my electoral campaign I said this whenever I went," said Mr. Kravchuk at a press-conference on the evening of December 5. "I garnered more than 60% of the vote. I don't have the moral right to go back on my pledge, in particular as more than 90% of the republican citizens who had voted in the referendum supported the Ukraine's independence."

Mr. Kravchuk said at the press-conference that the Ukraine supported an economic union but was opposed to the formation of any central body that would take away republican powers.

The president sidestepped the journalist's question if he would demand that the Ukraine's Supreme Soviet does not ratify the Economic Community Treaty that was initialled by the republic. Mr. Kravchuk only said: "During the time when it takes the Supreme Soviet to ratify the Economic Community Treaty, this community will break down as of itself."

Kravchuk Praised for 'Ability To Compromise'

PM0512142391 Moscow IZVESTIYA in Russian 4 Dec 91 Union Edition pp 1,2

[Correspondent S. Tsikora article: "How Kravchuk Convinced the Ukraine"]

[Text] Kiev—Why did the Ukrainian people elect Leonid Kravchuk as their president? I can say categorically that it was certainly not because of his election program, the "five-point program," as it is known—state, democracy, prosperity, spirituality, and trust. The other contenders' programs contained ideas that were more attractive. But the masses still preferred L. Kravchuk—a man whose biography as a party apparatchik of 30 years' standing just could not compete with the careers of his democrat rivals, who had periods in jail and exile behind them and an unshakable belief in the correctness of their idea. What is the reason for the unconditional recognition of L. Kravchuk as leader?

It seems to me that L. Kravchuk won the contest against the five other contenders because his name today is not linked with any political idea or promises but with real deeds. Here are some recent examples. The Crimea was thinking of breaking away and tension was near breaking point when L. Kravchuk went there and managed, if not to remove the confrontation, then at least to dampen it down. The idea of an autonomous republic had caught on in the Transcarpathians: L. Kravchuk assessed the situation locally, weighed up the arguments, and found a solution which transformed the idea of political autonomization into a plan for the creation of a separate economic region. Without resorting to painful measures, he managed to resolve the most acute conflicts developing in the Donbass and the Black Sea region.

Of course, L. Kravchuk was helped by a group of advisers and good analysts but, you will agree, it needed a politician's flair to reconcile conflicting advice on ways to resolve concrete political, economic, national, and other problems. It is those very qualities, as the election results showed, which the voters wanted and assessed.

Those who have seen the life of party organs on the inside will know what fiendish shrewdness the leader of the ideological service needed not to be crushed between the different intraparty groups. Those who escaped from such battles safe and sound over the decades earned people's trust and were forgiven much. But as president, L. Kravchuk will have to be responsible not so much for himself as for the whole people—this is a fundamentally different situation, unlike either his former party work or the activity of the head of parliament.

L. Kravchuk earned wide renown in the period of his open discussions with the leaders of Rukh [Ukrainian Independence Movement]. He was the only one of the Ukrainian Communist Party Central Committee Politburo members who dared to enter into a polemic with them in front of the TV cameras and at rallies. Thus, gradually, a politician was raised who was not afraid of any audience and, particularly importantly, did not lose his composure in any situation.

The flexibility with which he pursued his goal caught even such an experienced politician as M. Gorbachev unawares. L. Kravchuk countered the idea of a renewed Union with the seemingly naive idea of horizontal ties between republics. And it seems that he won. The ability to compromise enabled L. Kravchuk to find a common language with Russian President B. Yeltsin and conclude between the Ukraine and Russia a political and economic treaty without the involvement of the center.

These steps helped to fashion the opinion among the public that in the republic there is a man who is not only capable of representing and defending its interests but also of maintaining domestic peace and accord among people. There have been many attempts to bring the so-called Russophone population into conflict with the Ukrainian population—to no avail: The idea of supporting the language and cultures of all the peoples inhabiting the Ukraine prevailed in the republic.

Political and national stability in the Ukraine enabled L. Kravchuk to pursue a quite autonomous foreign policy. His trips to Germany, France, Canada, the United States, and Switzerland and meetings with the heads of those states and with businessmen gave him an opportunity to accustom leading Western politicians and businessmen to the idea that a powerful new state would soon be born in Europe. And as a result, just 24 hours after the referendum, Poland and Canada announced their recognition of Ukrainian independence.

It is well known that not everyone in the world received with enthusiasm the news that a new state had appeared on the map with 1.5 million soldiers stationed on its territory at present plus 176 silos containing nuclear warheads, that aircraft carriers and giant aircraft are being built and powerful missile complexes produced there. But no less impressive, in my view, is the republic's civilian portrait. The Ukraine produces a vast amount of steel; it extracts millions of tonnes of ore, coal, and uranium; and possesses the most fertile lands in Europe. Only time will tell what independence adds to that. This will largely depend on new Ukrainian president Leonid Kravchuk, the second man after Mikhail Grushevskiy to head an independent Ukrainian state in the 20th century....

IZVESTIYA: No 'Obstacles' To Recognition

PM0512134391 Moscow IZVESTIYA in Russian 5 Dec 91 Union Edition pp 1,4

[V. Mikheyev article: "Russia and Community of Nations United in Their Approach"]

[Text] The world community of nations is displaying unprecedented unanimity in its approach to the conditions for its diplomatic recognition of the new European power—Ukraine.

In short, to use Australian Foreign Minister G. Evans' words, there are a number of "generally recognized international criteria for statehood." Ukraine must fit the status of a sovereign state in all parameters. Doubt may have been cast on the "generally recognized" concept yesterday, however with regard to Ukraine the community of nations has displayed rare unanimity, and the criteria for statehood and the terms for recognizing Ukraine de jure in its new capacity coincide in the statements issued by the White House and Russian President Boris Yeltsin, in the demands made by NATO and neutral Sweden, and the wishes expressed by its very close neighbor Germany and far-off Australia.

What are these unified terms? Compliance with the USSR's international disarmament commitments; respect for human rights, including the rights of national minorities (the 12 million Russians, in particular, of course); and implementation of the normative acts adopted in Helsinki and Paris establishing the principles for European communal life. The Russian president's statement adds: "the prevention of linguistic discrimination" and "freedom to choose citizenship."

The second "basket" concerns the subject of the unexpected expansion of the "nuclear club." The United States is insistently calling for the Ukraine to "implement its desire for nuclear-free status" and meanwhile ensure responsible and reliable control over the nuclear weapons on its national territory and prevent the spread of dangerous technologies. The latter is understandable given the increasingly frequent reports that our nuclear physicists are being made alluring offers to work abroad on contract—Iran and Iraq figure among the employers.

The third "basket" holds a reference to one of the precepts of the Helsinki Charter: A change in Europe's existing borders is undesirable, but, if it is unavoidable, it should occur solely by peaceful means and through negotiations. No one denies that the explosive potential of any territorial disputes may rival that of the nuclear arms. Romania's claims to northern Bukovina are an alarm signal. Since up to 85 percent of the borders within the former Union are not marked, the reference in B. Yeltsin's statement to the idea of Russian and Ukrainian commitment to the principle of "open borders" should be seen as the correct move. Does that settle the problem?

The positions espoused by most states are seen to be consonant on all three "baskets," although there should be some additional emphases in the reactions from the community of nations. Thus Australia is raising the matter of "effective control of its territory" as an important attribute of statehood. How does this apply to Ukraine, where major troop contingents "under the jurisdiction of the Soviet central command" are stationed? On the other hand, the permanent representatives of the North Atlantic Alliance countries unequivocally advocated ensuring reliable control over nuclear weapons and preserving "unified command of these weapons."

The different nuances do not negate the fundamental coincidence of approaches, enabling the following optimistic conclusion to be drawn: With the deideologization of world politics and the fading of Cold War inertia, it has become possible to develop interstate relations on legal foundations that really are universally recognized, on the ethical postulates of the civilized world. It is due to that ideological unity that the voice of the community of nations has become louder and more weighty. Everyone who decides, like Ukraine, to become a full-fledged subject of international relations in the future must take that into account. I think that this episode, rather than the united front against Baghdad's tyrannical regime, better displays the features of the "new world order."

People in Kiev are fully aware of that. Ukrainian Foreign Minister Anatoliy Zlenko confirmed that his state regards itself as the "rightful successor of the former Soviet Union insofar as the agreements signed by the latter are concerned," including the Treaty on Reductions in Strategic Offensive Arms, the Helsinki Act, and other human rights agreements. Ukraine, the minister said, intends to eliminate 130 of the 176 ICBM's on its territory. In the future Ukraine will become a nuclear-free state. Our involvement in any military blocs is ruled out. In conclusion A. Zlenko reassured creditors: Ukraine will abide by the accord of 21 October and pay its share of the USSR's foreign debt.

So, the obstacles have been cleared to formal international recognition of the Ukraine. Although, unlike the Baltic states, few are rushing to open their embassies in Kiev without ruling out the possibility that this step is only a matter of time. The following words are encountered most frequently: "We will consider the matter with neighboring countries" (Norway); "We will make a decision with other EC states" (France); "We must wait for an explanation of the position on CSCE principles, including the Paris Charter commitments regarding the observance of human rights" (Sweden); "we will act in accordance with other Asian states" (South Korea); and so on.

The wait-and-see position does not detract from the main point: There are no formal obstacles to diplomatic recognition, and therefore, according to France's LE MONDE, it is a matter of months or even weeks.

Exiled Leader Greets Kravchuk, Pledges Support

LD0612033191 Kiev Radio Kiev in English
0100 GMT 5 Dec 91

[Text] President of the Ukrainian People's Republic in exile, Mykola Playuk, sent a congratulatory telegram to Leonid Kravchuk, Ukraine's president.

Expressed in the telegram is deep respect for the people of Ukraine who manifested to the entire world that Ukraine wishes to be an independent state. At the same time I send you most sincere congratulations with being elected president of Ukraine, writes Mykola Playuk. We wish you great success in strengthening statehood in Ukraine in this very complicated situation both inside and outside the country.

On my part I'd like to assure you, writes the president, on the readiness of the state center of the Ukrainian People's Republic in exile to assist you, the Supreme Soviet, and the Government of Ukraine on the basis of the unity of all forces in Ukraine and abroad. We would like to inform you, Mr. President, that with the restoration of full independence to Ukraine the mandate given us by the Labor Congress of Ukraine to act on behalf of the Ukrainian people will be terminated and we, with a great pleasure, pass on this mandate to the authorities of Ukraine elected by the people of the republic.

That was an excerpt from the message sent by the president of the Ukrainian People's Republic in exile, Mykola Playuk, to Ukraine's President Leonid Kravchuk.

Legislature Issues Foreign Policy Statement

LD0512201691 Moscow TASS in English
1915 GMT 5 Dec 91

[By UKRINFORM correspondent Aleksey Petrunya; quotation marks as received]

[Text] Kiev December 5 TASS—Ukraine will orient its foreign policy "towards strengthening world peace and security, and towards stimulating international cooperation in tackling ecological, energy, food and other global problems," says a message to the parliaments and peoples of the world, adopted by the Ukrainian parliament on Thursday [5 December].

"The foreign policy of Ukraine will be based on the universally recognised principles of international law.

"Ukraine regards the 1922 treaty on the formation of a Union of Soviet Socialist Republics and all subsequent constitutional acts of the USSR as null and void and non-applicable to itself.

The message points out that Ukraine as a European state is prepared to accede to the final act of the Helsinki conference, the Charter of Paris and other documents of the Conference on Security and Cooperation in Europe (CSCE).

Ukraine is calling on the parliaments and governments of CSCE countries to support its striving to become a direct, full and equal participant in the CSCE process and take part in other European structures.

The message has it that Ukraine is prepared to establish diplomatic relations with other states and build bilateral contacts with them on the principles of equality and non-interference in the internal affairs of each other, the recognition of the territorial integrity and inviolability of the existing borders.

Ukraine, the document states, reaffirms its international commitments and will also meet all its obligations under the former Soviet Union-signed international treaties which do not run counter to the Constitution of Ukraine or to its national interests.

Ukraine abides by the provisions of the 1991 strategic arms reduction treaty between the Soviet Union and the United States in its part concerning nuclear weapons located on its territory.

The message once again confirms the idea that Ukraine will not be a nuclear power.

Ukrainian Armed Forces and a national guard are being created for the sole purpose of protecting the independence, sovereignty and territorial integrity of the state, the message stresses.

Parliament Elects New Chairman

OW0512203091 Moscow INTERFAX in English 1730 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] The Ukraine's parliament has elected a new chairman in place of Leonid Kravchuk who is now the republic's President. The new speaker is Ivan Plushch, former deputy-chairman of the Ukrainian Supreme Soviet.

Ivan Plushch was nominated by Leonid Kravchuk and accepted by an absolute majority .

'Major' Changes in Supreme Soviet Expected

OW0612044491 Moscow INTERFAX in English 1730 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] IF [INTERFAX] learned from sources close to the Ukrainian Party for Democratic Revival, which has the biggest parliamentary faction, that a major political regrouping is expected in the republican Supreme Soviet.

Presumably, the party, earlier a member of the opposition faction Popular Rada, will assume a centrist position and will be opposed to the Ukrainian president and premier only should cardinal economic and political reforms be braked. They may find allies in a small party of Ukrainian Social-Democrats.

The existing partiamentary majority is likely to split, say the party leaders, and the group supporting the president and premier will most likely be supported by delegates of the Ukrainian independent trade unions.

Mr. Levko Lukyanenko, leader of the Ukrainian Republican Party, called for support of the republic's president. To date, only Mr. Leopold Taburyanskiy, chairman of the Ukrainian Popular Party and an ex-presidential candidate, said he would oppose Mr. Kravchuk.

Armenia

President Appoints New Cabinet Members

LD0512230491 Moscow TASS International Service in Russian 2133 GMT 5 Dec 91

[By correspondent Tigran Liloyan]

[Text] Yerevan, 5 Dec (TASS)—Armenian President Ter-Petrosyan made appointments today of a large group of members of the republic's new government.

Valeriy Pogosyan became the internal affairs minister. Before his election last year as deputy and member of one of the parliamentary commissions, he was in charge of an editorial department of the Armenian Soviet Encyclopedia.

Raffi Ovannisyan, a U.S. citizen, was appointed foreign minister.

Vazgen Sarkisyan, chairman of the Commission for Defense and Internal Affairs of the republic's parliament becomes the head of the recently formed Defense Ministry.

Vladimir Movsisiyan, former first secretary of the Armenian Communist Party Central Committee, who worked as USSR deputy minister of agriculture and food, receives the portfolio of head of the Main Directorate for Refugee Affairs.

Among the new members of the cabinet is one woman: Karine Daniyelyan, who becomes minister for ecology. A candidate of biological sciences, in the past year she has been deputy chairman of the Yerevan City Soviet.

Other appointments were also made.

Leader Supports Political Accord With Russia

OW0612004991 Moscow INTERFAX in English 1515 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] Levon Ter-Petrosyan stands for signing a political agreement between Armenia and Russia as soon as possible, the press service of Armenia's parliament told IF's [INTERFAX] correspondent. He believes that Russia is interested in such an agreement no less than Armenia since for Russia Armenia is "a stronghold of democracy in Trans-Caucasus".

Iran Offer To Mediate Azeri Conflict Welcomed

OW0512174891 Moscow INTERFAX in English 1515 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] Armenia's President Levon Ter-Petrosyan welcomed Iran's proposal to act as a mediator in the efforts to settle the conflict between Armenia and Azerbaijan announced by Foreign Minister Ali Akbar Velayati. IF's [INTERFAX's] correspondent learned this from the press service of Armenia's parliament.

Armenia has always supported and will support the endeavours to settle the conflict on the part of neighbor countries, such as Iran, the press service pointed out.

Azerbaijan Said To Blockade Nagorno-Karabakh

LD0512153191 Moscow TASS International Service in Russian 1428 GMT 5 Dec 91

[Excerpts] Yerevan, 5 Dec (TASS)—Armenia has accused Azerbaijan of attempting to use the recent military helicopter crash in Nagorno-Karabakh to tighten the blockade of this autonomous region within Azerbaijan, which is largely populated by Armenians. A statement by Ashot Manucharyan, the Armenian president's chief adviser on national security questions, claims that in Karabakh transport links have been completely severed, communications have been cut off, water and power supplies have ceased, there has been no bread for several days, supplies of flour and foodstuffs have been exhausted, and the population of the Armenian villages and the personnel of military units stationed there are on the verge of starvation. [passage omitted]

The statement points out that the versions put out by Baku about the crash "place both the initial and peremptory blame on the Armenian side." The central media are also implicated in this, the document claims. By publishing these versions, the media are unwillingly helping to misinform the public. The statement warns about "active military preparations by the Azerbaijani side and the continuing attempts to torpedo" the talks process.

Until now, the document says, the Armenian leadership has not deemed it expedient to speak about the helicopter disaster until the inquiry is completed. It has also spoken about the need for an independent inquiry into the causes of the crash. Instead, the statement points out, the Azerbaijani side "allowed competent experts to join the investigation only at the stage when possible evidence could have been distorted and falsified under the pressure of public opinion, which has been shaped in this republic in a single-minded way. [no end quotation marks received]

USSR Decision on Nagorno-Karabakh Criticized

OW0512213891 Moscow INTERFAX in English 1730 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] A member of the Armenian delegation at the talks with Azerbaijan—Suren Zolyan—has sharply criticized last week's resolution by the USSR State Council on measures to stabilize the situation in Nagorno-Karabakh and on the Armenian-Azerbaijani border.

In an article published by the Yerevan paper Yerkir he describes the resolution as a deviation from the Zheleznovodsk communique signed by the presidents of the RSFSR [Russian Soviet Federated Socialist Republic], Kazakhstan, Armenia and Azerbaijan on Sept 21. "Whereas the communique called for a withdrawal of all armed units from Nagorno-Karabakh, the State Council resolution mentions only 'illegal' units, points out Zolyan. [no end quote marks received] That means Azerbaijani OMON [special purpose militia detachment] may stay in the region.

Talks With Azerbaijan May Resume 'Next Week'

NC0512154591 Yerevan Radio Yerevan International Service in Armenian 1730 GMT 4 Dec 91

[Text] The Armenian Supreme Soviet met on 3 December and discussed the issue of the election of the chairman of the parliament, examined the bill on the employment of the population, and discussed the report presented by the Finance Ministry and the Finance and Credits Commission concerning the fulfillment of the republic's budget.

Seyran Bagdasaryan, chairman of the Special Commission on Nagorno-Karabakh Affairs, delivered a brief report at the start of the session. He said that probably at the end of next week the Armenian-Azerbaijani talks might resume. He noted that the Armenian side has already prepared all the documents on issues that are included in the agenda.

At the end of the session the deputies observed a minute of silence in memory of Movses Gorgisyan, who was martyred during the Armenian-Azerbaijani clashes.

Gas From Georgia Insufficient for Needs

OW0612021591 Moscow INTERFAX in English 1515 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] Natural gas reaching Armenia through a pipeline running across Georgia doesn't resolve Armenia's energy problem. The pipeline can supply no more than 4 million cubic meters of gas a day which meets only one half of Armenia's household requirements, not to mention industrial needs. IF's [INTERFAX] correspondent learned this from a member of the "Armgasprom" association. Besides, said the association's senior engineer Vladimir Galstian, there are no guarantees that the pipeline will not be damaged on Georgian soil for some political reasons.

The main pipeline bringing gas to Armenia runs across Azerbaijan, and Azeri authorities switched it off outside the city of Kazakh in mid-November. They link the possibility of resuming gas supplies to the guarantees that Armenia will ensure safety for the population of border regions in Azerbaijan, cease fire in the zone of the conflict between Armenia and Azerbaijan and remove Armenian militants from Azeri soil.

Lack of Gas, Power Leaves Economy 'Paralyzed'

LD0612101191 Moscow Radio Rossii Network in Russian 1800 GMT 5 Dec 91

[Text] Because of the lack of gas and electric power, only 30 percent of enterprises are operating in Armenia—those providing vital services for the population. The republic's economy has to all intents and purposes been paralyzed, the SNARK agency reports. Armenia's government is taking prompt measures. The daily arrival in the republic of 400 rail cars from the Georgian side is being ensured. In Krasnodar a large depot has been set up from where food will be supplied to Armenia in heavy-duty trucks and special planes.

Border, Gas Accords Reached With Iran

NC0512182691 Yerevan Radio Yerevan International Service in Armenian 1730 GMT 4 Dec 91

[Text] The Armenian delegation lead by Ambardzum Galstyan, chairman of the Yerevan City Soviet, returned from a visit to Iran.

Yerevan mayor held a news conference on 3 December to brief the reporters about that visit and its outcome. He said that the Armenian delegation visited Iran at the invitation of the Foundation for the Oppressed and War Disabled which runs 2000 organizations, including 175 major industrial enterprises.

Galstyan said that the Armenian delegation negotiated the formation of joint enterprises, the opening of the Armenian-Iranian border at Megri, and the building of a bridge for this purpose, as well as the purchase of Iranian gas by Armenia. There is also intention to set up a joint bank, and open Yerevan-Tehran air route.

Galstyan believes that in the near future Iran might become Armenia's second business partner after Russia.

Countries Respond to Recognition Request

Germany's Kohl Responds

NC0512221891 Yerevan ARMENPRES International Service in Armenian 1215 GMT 5 Dec 91

[Message sent by German Federal Chancellor Helmut Kohl to the President of Armenia Levon Ter-Petrosyan; dated 31 October]

[Text] Yerevan, 4 Dec (ARMENPRES)—Esteemed Mr. President, I thank you for your 27 September 1991 letter in which you informed me about the resolutions adopted by the parliament of the Armenian Republic on the republic's independence act.

The German Government follows with great interest the developments taking place in the USSR and in the republics, including the declarations of independence by the republics, which is a confirmation of the new democratic processes. This is also true in the case of the 23 September decision of the parliament of Armenia on the independence of the Armenian Republic which has been adopted on the basis of 21 September referendum on the secession from the structure of the USSR.

The German Government welcomes the aspiration to form a confederation of sovereign states. The efforts in this direction, in which the Armenian Republic has played significant part, have already produced tangible results in the form of the signing of the Economic Community Treaty. This will help stabilize the political and economic situation in the republics members to that agreement and would contribute to the interest of all Europe.

The Federal Republic of Germany and its partners in the European Community consider the result of those negotiations as the basis for new mutual relations.

Yours sincerely, Helmut Kohl, Federal Chancellor of the Federal Republic of Germany.

Australia Responds

NC0512224391 Yerevan ARMENPRES International Service in Armenian 1215 GMT 5 Dec 91

[Message sent by Australian Prime Minister Robert James Lee Hawke to Armenian President Levon Ter-Petrosyan; dated 8 November 1991]

[Text] Yerevan 4 Dec (ARMENPRES)—Esteemed Mr. President, I thank you for your 26 September letter in which you inform me about the independence declared by the Armenian parliament on 23 September, and asked for recognition from the Australian Government.

The Australian Government is satisfied with the fact that that independence declared on the basis of the 21 September referendum on the secession from the structure of the USSR expresses the aspirations of the majority of the population of the Armenian Republic.

Australia is guided by the international norms when the issue of the establishment of diplomatic relations arises. Having been convinced that that independence act conforms with those norms, Australia would forthwith look into the issue of the establishment of diplomatic relations. In the meantime, the Australian Government will aim to broaden ties between Australia and Armenia.

Respectfully, Prime Minister of Australia Robert James Lee Hawke.

Vatican Responds

NC0612114991 Yerevan Radio Yerevan Network in Armenian 1600 GMT 04 Dec 91

[Text] The secretary of state of the Vatican, Cardinal Angelo Sodano, has sent a cable to Armenian President Levon Ter-Petrosyan.

The cable says: Your Highness, I have the honor to tell you, on behalf of His Holiness Pope John Paul II, that we have received your 26 September letter in which you announce that the Armenian Republic's parliament on 23 September adopted an act on your republic's independence.

We were pleased to see that the principles which guide Armenia conform with international human rights norms and with the international agreements in force.

I believe the rights of national minorities, including those of religious minorities, would be protected both by legislative acts and in common law.

Your Highness, you recently received His Eminence Cardinal (?Aguile Sylvester), the prefect of the eastern churches, who also represents the Armenian Catholic community. He told us about the splendid reception given him and your intention to bolster the friendly relations between the Catholic Church and the Armenian authorities.

On its part, the Papal See would develop the friendly relations, which fortunately it already has, with the Armenian people.

I convey my best wishes for future progress and peace in your republic.

Please accept my deepest respect.

Minister Meets European Council Official

NC0512204591 Yerevan Radio Yerevan Network in Armenian 1600 GMT 4 Dec 91

[Excerpt] Armenian Foreign Minister Raffi Hovhannesyan, who is in France on an official visit, met Catherine Lalumiere, Council of Europe secretary-general, on 2 December in Strasbourg.

During the meeting, the current political and economic situation prevailing in Armenia and the possibility of Armenia becoming a member of the Council of Europe were discussed.

An agreement was reached to organize a visit of an official Armenian delegation to Strasbourg at the beginning of 1992. [passage omitted]

[Yerevan ARMENPRES International Service in Armenian at 1215 GMT on 2 December reported that the Armenian foreign minister, before going to France, had a meeting with Italian Prime Minister Giulio Andreotti in Rome. The Italian prime minister said that "the Italian Government highly assesses the aspirations of the Armenian people, who are establishing their independence via a constitutional path." The report adds: "A preliminary agreement was reached during the meeting to exchange official representatives between Italy and Armenia, to formulate and implement joint economic and cultural programs, and to receive an official delegation from

Armenia in Italy at the beginning of the next year in order to examine the aforesaid issues and to undertake concrete measures."]

Azerbaijan

100 Missiles Fired on Stepanakert During Week

OW0612042191 Moscow INTERFAX in English 1730 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] Over the past week some 100 Alazan type missiles have been fired on Stepanakert (Nagorno-Karabakh) killing one person, injuring ten more, and badly damaging 17 buildings. The city's economy suffered more than 10 mn [million] roubles damage. The information has been given to INTERFAX at the Nagorno-Karabakh regional council.

People's Front Rejects Dialogue on NKAO

OW0512214791 Moscow INTERFAX in English 1730 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] The People's Front of Azerbaijan has declared that all the questions involving Nagorno-Karabakh [Autonomous Oblast—NKAO] should be solved at the governmental level, not between public movements. This is its reply to the Armenian Popular Movement proposing talks on Nagorno-Karabakh.

Decree Issued on Call-Up for Military Service

NC0612105591 Baku Radio Baku Network in Azeri 1800 GMT 5 Dec 91

[Text] President Ayaz Mutalibov has issued a decree on calling up Azerbaijani citizens for active military service in December 1991 and March 1993. The decree is as follows:

1. Citizens who will reach age 18 are not exempt from active military service and those who already are eligible for conscription will be called up for active service in the Azerbaijan Armed Forces, the border guard units, and the internal forces in December 1991 and March 1993.

2. Citizens eligible for conscription during this period will be assigned to alternative services such as [word indistinct].

3. The Azerbaijan Council of Ministers will take measures in accordance with the laws to implement this decree.

[Signed] Ayaz Mutalibov, president of the Azerbaijan Republic

Baku City, 5 December 1991

President Decrees Oil Selling Price

LD0512134491 Moscow All-Union Radio Mayak Network in Russian 1200 GMT 5 Dec 91

[Text] The ASSA-IRADA agency [as heard] reports that all oil extracted in Azerbaijan will be sold only at contractual commercial prices next year. By a decree of Mutalibov, president of the republic, a state concern has been set up on the basis of the Kasmorneftegaz Production Association. From now on all profits from the extraction and sale of oil will remain in the republic.

Russia Reportedly Closes Gas Pipeline

NC0512184291 Yerevan Radio Yerevan Network in Armenian 1400 GMT 5 Dec 91

[Text] A month ago, the Russian gas pipeline to Armenia via Azerbaijan was arbitrarily cut off in Kazakhskiy Rayon by Azerbaijan. Baku radio reports that Russia has recently stopped the gas from entering Azerbaijan also.

The Azerbaijani KHABAR-SERVICE independent news agency has learned from reliable sources that the reason for the gas pipeline closure has been the Azerbaijani side's termination of gas deliveries to Armenia. It is difficult, however, to say how reliable the report by Baku radio is.

Iran's Velayati Holds News Conference on Visit

LD0512223491 Moscow All-Union Radio Mayak Network in Russian 1620 GMT 3 Dec 91

[By correspondent Islam Kuliyev]

[Excerpt] [passage omitted] Iranian Foreign Minister 'Ali Akbar Velayati and Azerbaijani Prime Minister Gasan Gasanov answered numerous questions from representatives of the mass media from Iran, Turkey, and other foreign news agencies accredited in Baku, as well as the local journalists. I'll say immediately that there were very many questions. I'd now like to present to you an excerpt from the recording in which the Iranian minister of foreign affairs talks about the results of his visit to our country and, particularly, to Azerbaijan.

[Begin Velayati recording, in Persian with superimposed Russian translation] From the first day of my visit to Azerbaijan, we have had many fruitful and creative discussions. As a result we have achieved good results. All these are reflected in the memorandum we have just signed. In the last months of the current year our ties with Azerbaijan have been developing in a most constructive way and on a mutually advantageous basis. This is natural, since this is what both peoples expect. As a result of the understanding that has been reached, matters concerning the relations between the two neighboring republics in the fields of transportation, tourism, communications, and trade are to be considerably simplified. [end recording]

[Kuliyev] In connection with the blockade of Nakhichevan from Armenia, it has been decided to build a rail line on Iranian territory that will link Azerbaijan and the Nakhichevan Autonomous Republic. The volume of freight carried between ports in Iran and Azerbaijan is being increased considerably. The day is not far off when tourists and business people will be able to visit Iran by sea. The issue of air transportation between Baku, Tehran, Tabriz, and Mashhad has also been resolved. Cooperation has started in the areas of culture, science, education, and exchanges of television and radio programs. A branch of the Bank of Iran is soon to open in Baku, with Allah's help, which will make it possible to develop trade in hard currency between the two republics and to set up joint enterprises. An understanding has also been achieved on the purchase of oil and oil products from Azerbaijan.

Talking about the results of his visit to our country, Mr. 'Ali Akbar Velayati said that he had a positive opinion of it and hoped that there would be further expansion and deepening of mutually advantageous, good-neighborly relations. Today, according to the information we have at our disposal, 'Ali Akbar Velayati is leaving for his homeland.

Signs Cooperation Agreement

OW0612004591 Moscow INTERFAX in English 1515 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] On a visit to Baku, Iran's Foreign Minister Velayati signed an agreement on the principles of political, economic and cultural collaboration between Azerbaijan and Iran. According to the Azeri Foreign Ministry, Iran expressed readiness to help Azerbaijan become an official member of the Organization of Islamic Conference, and of an economic cooperation organisation made up of Turkey, Iran and Pakistan.

Commentary Notes Improved Iranian Relations

NC0512135491 Baku Radio Baku International Service in Persian 1200 GMT 3 Dec 91

[Ahmet Askarzada commentary]

[Excerpts] Salutations to our esteemed listeners. Political, economic, technical and scientific, art and cultural relations between the Republic of Azerbaijan and the Islamic Republic of Iran are growing daily.

Every week we witness visits and talks between the heads and high-level officials of the two republics, a source of joy now that the Azerbaijan Republic is independent and relations have broadened, bringing the two closer.

The visit to Baku by political, economic, judicial, scientific, and social and cultural Iranian figures, talks with Azerbaijani officials and agreements and protocols, affirm the relationship.

Such talks and agreements benefit the two friendly, neighboring countries, whose people reap the fruits. Signing protocols and agreements creates joint institutions among their industrial organizations and high-level officials, marking a new chapter in relations between the two countries.

The visits and talks among various individuals are so numerous that I do not know where to begin. Yesterday there was the official visit by the foreign minister of the Islamic Republic of Iran, Dr. 'Ali Akbar Velayati; preceded by a few days' stay by Musavi-Tabrizi, the chief prosecutor of Iran; talks between Seyyed 'Ali Rahmati, National Industries Organization director of foreign trade, and Republic of Azerbaijan officials; and the opening of the Iranian commercial exhibition in Baku, in which 700 people are participating. These events are all taking place simultaneously, showing that relations between the two fraternal countries are being broadened and consolidated.

'Ali Akbar Velayati's 10-day visit to Moscow, his meetings with the heads of the Republics of Kazakhstan, Uzbeklistan, Kyrgyzystan, Tajikistan, Turkmenistan, and Azerbaijan, and their outcome are interesting and an eloquent testimony of relations, demanding a separate commentary. This is the first such prolonged trip, with visits to republics and talks with their leaders, and will have very valuable results of benefit to all. [passage omitted]

Mr. Rahmati signed a contract with the Sumgait Chemical Complex—one of the Republic of Azerbaijan's largest organizations—on a previous visit. [passage omitted]

One important outcome of his recent visit to Baku is that a border store is envisaged, set up with the Azeri company (AZERETTEFAK), ready for operations in Astara, Iran. A store has been set up in the Republic of Azerbaijan (?as well) and once the legal formalities are completed the two will be opened.

Now that relations between the two countries have expanded to this extent, an office should be opened to attend to affairs. The Iranian National Industries Organization office will open in Baku. [passage omitted]

Other Iranian officials, industrialists, and business magnates' visits to the Republic of Azerbaijan have been extremely fruitful, helping to foster friendship and cooperation between the two countries, reducing the distance between them.

I wish to mention particularly the opening of the air route, the Astara-Tabriz-Jolfa highway, the Astara-Tehran highway, the reopening of the railroad, and traffic on the Moscow, Baku, and Tehran rail route.

The agreement opening an air route between the Republic of Azerbaijan and the Islamic Republic of Iran was signed in Baku on 20 November, two weeks ago. Azerbaijan airlines and the IRANAIR company agreed to open the Tehran-Baku air route at the beginning of 1992, within a month. Initially, the two republics will each fly the route once a week.

A preliminary agreement has also been reached to open air routes to other Iranian cities, and steps will be taken in the near future. Azerbaijan and Iran's tourism representatives and companies are enthusiastic about expanding the air network between them. [passage omitted]

The new transport routes will promote better relations and be economically viable.

It is also important that nearly 46 km of the Baku-Nakhichevan railroad is on Armenian territory and that these few kilometers have been blocked by Armenian bandits, armed from head to foot, and the Armenian Government, by firing on the trains, taking drivers and crew hostage, and perpetrating other heinous atrocities.

These events have forced the Azerbaijan Government to hold transport talks with the Islamic Republic of Iran, fortunately achieving the desired results. A month and a half ago the first convoy of 25 automobiles left Iran to take foodstuffs and consumer goods to Nakhichevan Autonomous Republic residents, unprecedented in Azerbaijan-Iran relations. [passage omitted]

On his visit to Iran, President Ayaz Mutalibov of Azerbaijan discussed cooperation on roads and transport. The road is 450 km long and the convoy sets out early from Astara, through Ardabiul, Tabriz, and Marand without stopping; it reaches Jolfa at night.

The Nakhichevan Autonomous Republic, part of the Azerbaijan Republic, is provided with foodstuffs and essential goods. Our dear listeners will note that the walls of decades segregating our peoples from one another are being shattered, cooperation expanding in all fields, and people of the brotherly countries getting closer, reaping the fruits of mutual friendship and cooperation.

Dear listeners, here I end my talk for today and pray for your health, happiness, and success and victory in all your affairs. God bless you.

Georgia

Reportage Highlights South Ossetia Unrest

20,000 Combatants Near Tskhinvali

LD0512134191 Moscow All-Union Radio Mayak Network in Russian 1200 GMT 5 Dec 91

[Text] Here is a report from Vladikavkaz. There have not been any positive changes in the tense and explosive sociopolitical situation in South Ossetia in the past 24 hours. According to the press center of the Republic of South Ossetia Information Committee, single shots were heard again in the most critical spots of the region—on the outskirts of Tskhinvali and in Znaurskiy Rayon. The ring of an economic, food, and transport blockade is becoming tighter around Tskhinvali. Reserves of flour at a local bakery have run out.

About 20,000 combatants have gathered on the approaches to Tskhinvali. We know from reliable sources that armor, Alazan hail- dispersing systems, and artillery are being assembled here.

Army Blamed for Violence

AU0512131191 Tbilisi Radio Tbilisi Network in Georgian 0510 GMT 5 Dec 91

[Text] When will there be peace in the Tskhinvali region? In connection with the recent increase in tension in Samachablo, Tengiz (?Chkhikvadze), correspondent for the Georgian National Information Agency, spoke to Colonel Tengiz Epitashvili, plenipotentiary of the president of the Republic of Georgia in Shida Kartli [area of Georgia into which South Ossetia has been reincorporated under its historical name Samachablo by the Georgian Government] and deputy minister of internal affairs.

[Begin recording] [Epitashvili] Following my appointment to this post, I made a thorough study of the situation in Samachablo. I established contact both with the local inhabitants and the military. From aproximately 20 October to 15 November, we were still unable to gain access to Tskhinvali and the surrounding villages and were unable to deliver, for example, construction materials to those that had suffered damage as a result of the [word indistinct] earthquake.

However, the so-called central Union organs, the press, radio, and TV, have become more active in spreading disinformation about Samachablo. They have blamed us for wholly unbelievable things; they claimed that Tskhinvali, Java, Znauri, and Vladikavkaz have been fired upon from the Georgian villages of Tamarasheni and Mevgrekisi. These and similar (?falsehoods) have unfortunately reduced the chances of restoring peace in this region.

[(?Chkhikvadze)] What can you tell us about relations between the Soviet Army and the Ossetian extremists?

[Epitashvili] I had been hoping that the Union and Russian governments would have been interested in establishing peace in Samachablo. However, this is not the case in reality. As a result, Ossetian extremists have considerably more weapons with the help of representatives of the Soviet Armed Forces. They have been carrying out vicious attacks on Georgian villages and killing people. We know that Ossetian extremists are again using guided missiles (?obtained from) the Soviet Army helicopter regiment that is located in Tskhinvali. It is precisely these missiles that are being fired at us. As a result of this, there has been a sharp increase in the number of Georgian refugees leaving this region.

We declare with full responsibility that we are able to put a halt to the activities of the Ossetian extremists but on condition that the USSR Ministry of Internal Affairs Internal Troops and Soviet Army leave Samachablo. Their presence in Georgia is illegal. The Soviet Army will sooner or later leave this region. I believe this will happen soon. However, it has to be said that, when questioned as to the reasons for their presence, their commanders in Tskhinvali gave the terse reply that they had been sent by the president of the Soviet Union and would only leave this area on his orders.

[(?Chkhikvadze)] What is the strength of the Georgian militia in Samachablo?

[Epitashvili] There are some several hundred militia workers from the Ministry of Internal Affairs departments of Gori, Khashuri, Kareli, and Akhalgori. In addition, the militia is controlling and supervising the activities of the inhabitants of the villages surrounding Tskhinvali who have volunteered to stay there and who are only defending themselves. However, as soon as peace is established, these volunteers will surrender their weapons.

Quite recently White Eagle formations and the Kutaisi batallion arrived in Tskhinvali. We hope to find a common language with them; we need to gather together our existing forces, and their leaders must be united. [end recording]

General Escapes Injury in Tbilisi Shooting

PM0512125791 Moscow IZVESTIYA in Russian
4 Dec 91 Union Edition p 1

[Report from the IZVESTIYA, RIA, INTERFAX, REUTER, and SNARK Roundup]

[Text] General Magomed Tinamagomedov, chief of the Transcaucasus Military District Missile Weapons Service, has been shot at in his car in the Georgian capital's Isanskiy Rayon.

According to available information, there were no casualties. This is not the first attempt on the life of an Army representative. On 30 November a UAZ truck carrying the commander of the Gori Tank Training Regiment came under attack, and a few days earlier a military prosecutor's car was shot at.

Transcaucasian Military Chief Issues 'Plea'

LD0512185191 Moscow POSTFACTUM in English
2216 GMT 4 Dec 91

[Text] Transcaucasian military commander's plea to Georgian leadership and people says that real threat to life and security of servicemen and their families is posed in Georgia. Sharp escalation of armed attacks on servicemen and military facilities, especially in the city of Tbilisi, with the aim in view of capturing arms, auto transport, the plea says, make us take the most resolute steps to protect the military townships and facilities, military hardware and cargoes...2 December alone 8 automobiles of various types were highjacked in the city of Tbilisi. The plea also points out that the command has on several occasions demanded that the Georgian authorities enforce law and order and stop lawlessness.

However, the law enforcement agencies put unrealistic conditions for meeting our just demands and place the solution of the problems arising into a blind alley the plea has it. In the situation obtaining, the military council of the Transcaucasian Military Command has resolved, all the shipments and auto transport journeys to be made under armed guard, granting it the right to use firearms in case of apparent assault.

Parliament Invalidates Army Service Ruling

OW0512205391 Moscow INTERFAX in English
1730 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] Georgia's Supreme Soviet has declared invalid the decision by the Presidium of the Supreme Soviet of Abkhazia (an autonomous republic within Georgia—IF [INTERFAX]) that Abkhaz army draftees are to serve in the units of the Soviet Army deployed in Abkhazia.

The ruling by Georgian parliament points out that the document issued last week by the Abkhaz Presidium goes counter the constitutions of both Georgia and Abkhazia.

An INTERFAX correspondent reports that the draft proceeds sufficiently well in the Gudauti and Ochamchir districts of the autonomy, its end has been put off till Jan 1. [sentence as received]

Diplomat on Role in Debt Treaty, Council

OW0512210491 Moscow INTERFAX in English
1730 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] All countries including Georgia that signed the treaty on the division of the Soviet Union's external debt and assets will be represented on the interstate council for monitoring the servicing of the Soviet Union's external debt as full-fledged members. They will have the number of votes in proportion to their share of the USSR's external debt and assets

This was said to IF [INTERFAX] by the Georgian diplomat Valeriy Chechelashviliy who attended the signing of the debt-division treaty as a member of the Georgian delegation.

According to IF [INTERFAX], the original idea was that full-fledged membership in the council will only be accorded to the 8 republics that assumed joint responsibility for the repayment of the USSR external debt. The understanding was that the Ukraine, Georgia, Azerbaijan and Uzbekistan that declined this responsibility would have observer status.

Following the signing of the debt division treaty, Mr. Chechelashviliy said, a special agreement will be worked out between the republics that have assumed joint responsibility for the Soviet external debt and between those that have not. Moldova's and Armenia's delegations have already submitted versions of this agreement.

Kazakhstan

Nazarbayev Confirms Nuclear Testing To End

LD0512141691 Moscow Radio Moscow World Service in English 1300 GMT 5 Dec 91

[Text] The President of Kazakhstan Nursultan Nazarbayev has confirmed his resolve to put an end once and for all to nuclear tests on the Semipalatinsk proving ground. He noted at the same time that a vast scientific and technical potential has been formed on the testing site and he does not object to having it used for peaceful research.

President Nazarbayev said he has exchanged views with the president of Russia on nuclear arms tests. They are both convinced that there should be no more such tests in the Soviet Union in general.

Parliament To Consider 30 Fundamental Laws

OW0612140591 Moscow INTERFAX in English 1216 GMT 6 Dec 91

[Transmitted via KYODO]

[Text] Kazakhstan's parliament is to convene for a session in Alma Ata on Tuesday [10 December] to consider some 30 fundamental economic and political laws, its spokesmen told reporters.

According to IF's [INTERFAX] correspondent, Kazakh MPs [members of parliament] will also consider the way to reform executive power. The parliament's deputy chairperson Zinaida Fodotova said that a bill on powers for executive government and management bodies in the period of transition is being drafted. Leaning on Russia's experience, Kazakhstan's President will appoint his envoys to cities and regions.

Reporters were told that on the day when the parliament opens its session President Nursultan Nazarbayev will be sworn in.

Cabinet Issues Ruling on Rural Repatriation

OW0612060591 Moscow INTERFAX in English 2000 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] The Kazakh Cabinet of Ministers has issued a ruling "On Ways and Terms for Repatriating Kazakhs to Settle in Rural Areas". This meets the wishes of many ethnic Kazakhs applying for a return to their historical motherland from other republics or abroad.

The repatriants will be given a chance to settle in rural districts and build their own houses. They will be guaranteed jobs, vocational training or re-training, education, and medical service.

The republic's Foreign Ministry will handle all the questions involved with the former Union republics and foreign countries including the property of repatriants.

The Cabinet is preparing shortly a comprehensive programme for next year to receive the returning countrymen.

Republican Communist Party To Be 'Reborn'

LD0512115891 Moscow Radio Moscow World Service in English 0900 GMT 5 Dec 91

[Text] A republican Communist Party is being reborn in Kazakhstan. A congress of representatives of the Communist Party sections from all over the republic is scheduled for tomorrow in Alma-Ata. The leaders of the congress arrangements committee have said after the self-disbandment of the former party and its transformation into a Socialist Party, the Communists still have the same program but it will be realized solely by parliamentary methods. At the first stage, the party expects to attact up to 100,000 members.

Paper Assesses 'Nazarbayev Phenomenon'

PM0512165591 Moscow IZVESTIYA in Russian 4 Dec 91 Union Edition pp 1, 2

[N. Andreyev article: "The Nazarbayev Phenomenon Has Not Been Unraveled"]

[Text] Even if the transformations of Soviet society had not begun in 1985, we would still have heard of [Kazakh President] Nursultan Nazarbayev—even under the communist regime he would have made his presence felt. But only perestroyka made it possible to reveal the true characteristics of his nature: his independence of views and conduct, his pragmatic approach to the solution of political and economic problems, and his ability to put himself in other people's place. Nazarbayev stands out among the state leaders of the republics which formerly constituted the USSR.

The Nazarbayev phenomenon has to a large extent still not been unraveled. It sometimes seems as though nothing is happening in Kazakhstan. Nothing is heard about the privatization of housing or trade, it seems as though they are not distributing land there, kolkhozes and sovkhozes are not coming under attack, and disputes about what to do with industrial enterprises do not reach Moscow. The Communist Party in the republic has essentially been preserved, although it has formally left the political stage. Interethnic tension, if it exists there, is not developing into direct clashes, even though the republic's ethnic composition is very complex and the indigenous population does not form the majority. If social confrontation occurs in Kazakhstan from time to time, as happened during the miners' actions, it is soon resolved. Last year Karaganda miners put forward some very radical slogans. Nazarbayev went there and asked them to promise not to interrupt the production of coal. The miners heeded him.

By all accounts, Nazarbayev has chosen the evolutionary path of reforms. The discussion of whether Kazakhstan is ready for democracy and the market or not, and ultimately whether it is ready to renounce the socialist choice, could go on a long time, but there is no doubt that the more or less calm development of events in the republic will enable Nazarbayev to conduct these reforms in earnest for a long time to come. And his intentions are earnest, as the invitation to Western economists and G. Yavlinskiy to help elaborate a strategic economic course shows.

Nursultan Nazarbayev does not use the method of boosting his own importance that is fashionable in our country: ambitious and alarming statements on political or economic themes. His speeches are reasoned and calm. He avoids confrontational stances. However, if someone dares to harm Kazakhstan's interests, Nazarbayev gives that person an incisive and unambiguous answer. That is what happened after the well known statement by President Yeltsin's press secretary that Russia reserves the right to review the borders with other republics. At the Congress of USSR People's Deputies N. Nazarbayev stated plainly: Kazakhstan will never be anyone's little brother or a soft touch.

Nursultan Nazarbayev has been elected president of Kazakhstan by all the people. The phrase "all the people" should be taken literally here: In the elections Nazarbayev polled 99.88 percent of the vote, and it is quite predictable but at the same time not wholly justified that certain associations should spring to mind here. Not only is there no serious rival to Nazarbayev in the republic today, there is no rival at all. Which naturally could attract criticisms of the undemocratic nature of the processes taking place in Kazakhstan. But in the first place for Kazakhstan (as for many republics of the former USSR) democracy is not yet a very clear prospect. It is necessary to assess the situation soberly—it is impossible to jump straight from feudalism to socialism, just as it is clearly impossible, even after a harsh communist regime, to move to democracy overnight. In his activity Nazarbayev takes into account the conclusion of certain political scientists that the path from totalitarianism to democracy runs through authoritarianism. In his speeches he uses the word "democracy," although he does not worship it. Most likely that is why there is no aversion to this sociopolitical concept in the republic.

Nursultan Nazarbayev is president of an independent Kazakhstan. He holds the fate of a big state in his hands. How will he use his powers?

International Media Seminar To Be Hosted

LD0612053991 Moscow TASS International Service in Russian 1132 GMT 5 Dec 91

[By KAZTAG-TASS correspondent Gennadiy Kulagin]

[Text] Alma-Ata, 5 Dec (TASS)—An international seminar of media representatives will be held here next year, perhaps, in autumn. This accord was reached during a meeting between Kazakhstan President Nursultan Nazarbayev and a UNESCO delegation led by Henrikas-Algidras Juskevicius, deputy secretary general of this world organization. The president approved the idea put forward by UNESCO plenipotentiary representatives to hold a seminar to which a number of world leading specialists in the sphere of information and communication are to be invited in order to involve Kazakhstan and central Asian republics in the international exchange of information. He has no doubts about the great usefulness of such a meeting, which will promote the development of democratic processes not only in the republic but in other sovereign states of the former Union and will strengthen contacts between the media of different countries. The UNESCO delegation left for Bishkek today.

Kyrgyzstan

President Decrees Public Sector Pay Increases

LD0612050891 Moscow All-Union Radio Mayak Network in Russian 1400 GMT 5 Dec 91

[Text] Kyrgyzstan President Askar Akayev issued several decrees today designed for the social protection of the republic's population. In particular, beginning 1 January next year the salaries for public education, health, culture and science workers, law enforcement bodies and other public organizations will be increased by 40 percent.

Supreme Soviet To Consider Independence Bill

OW0612135891 Moscow INTERFAX in English 1216 GMT 6 Dec 91

[Transmitted via KYODO]

[Text] At its upcoming session Kyrgyzstan's parliament will consider a bill legitimatizing the republic's declaration of independence. Participants in the republican state council's conference held on Thursday [5 December] said that when the bill is adopted, it will be necessary to conduct a referendum on Kyrgyzstan's independence.

Official Says Tax Rates Set 'Too High'

OW0612004891 Moscow INTERFAX in English 1515 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] The draft bill on taxes in Kyrgyzstan worked out by the republic's government envisages too high taxes. If it is adopted without amendment, it might become an obstacle to the development of entrepreneurship in the republic, Rafkat Hasanov, expert from the office of Kyrgyzstan's President, told IF's [INTERFAX] correspondent

The draft bill fixes 48 percent taxes for plants and factories, 60 percent taxes for trade and brokerage cooperatives and 55 percent taxes for all kinds of barter deals.

According to R. Hasanov, taxes must not exceed 25 or 30 percent in order to make it possible for enterprises to modernize themselves and stimulate economic progress.

Besides, said R. Hasanov, it's necessary to envisage privileges for investors from abroad where taxes do not exceed 30 percent.

Tajikistan

Nabiyev Receives Pakistani Minister, Delegates

LD0512212891 Dushanbe Radio Dushanbe Network in Tajik 1700 GMT 4 Dec 91

[Text] Rahman Nabiyev, president of Tajikistan, today met with a delegation from Pakistan led by Sardar Asif Ali, minister of economic affairs of that republic currently on a visit to Dusahnbe.

During the talks both sides exchanged views on developing cooperation in the fields of economy, science, and culture. The same day Pakistani guests visited a number of large enterprises in Dushanbe. The head of the Pakistani delegation also invited Rahman Nabiyev to pay a visit to Pakistan. Rahman Nabiyev accepted this invitation.

Nabiyev Issues Decree Increasing Flour Quotas

LD0512173491 Dushanbe Radio Dushanbe Network in Tajik 1700 GMT 4 Dec 91

[Text] Decree No. 1 by the president of the Republic of Tajikistan on increasing the quota for sale of flour to the citizens of the republic:

With the aim of further improving the provision of essential foodstuffs to the citizens, I resolve:

1. As from 5 December 1991, the monthly quota for the sale of flour per person living in villages or places equivalent to that is fixed at 10 kg and for residents of the cities of the republic at 5 kg.

2. The executive committees of the soviets of people's deputies will supervise the sale of flour in accordance with the fixed quotas, and at the same time will envisage prudent organization and utilization of special reserves of flour for holding ceremonies and festivities by the citizens.

People found guilty of violating the arrangements mentioned in the decree on the sale of flour to citizens will be liable for prosecution in accordance with governing laws.

[Signed] Nabiyev, president of the Republic of Tajikistan

City of Dushanbe, 4 December 1991

Uzbekistan

Karimov Addresses Populace; Candidates Named

PM0512130791 Moscow IZVESTIYA in Russian 4 Dec 91 Union Edition p 2

[Andrey Orlov report under the "Direct Line" rubric: "December in Uzbekistan Will Be Hot"]

[Text] Tashkent—The elections of the president of the republic and of the khokim (mayor) of Tashkent plus a republic referendum will be held in Uzbekistan on 29 December.

The following are registered as contenders for the presidency of Uzbekistan: I. Karimov, current president of the republic, and Mukhammad Solikh (S. Madaminov), chairman of the "Erk" ["Freedom"] Democratic Party, republic people's deputy, and poet.

An address by I. Karimov to all citizens of Uzbekistan has just been published: It states that the independent republic is carrying out its own autonomous domestic and foreign policy defending the interests of all its citizens and guaranteeing their rights and freedoms. In so doing it will not isolate itself, but will maintain good and close relations with the other sovereign states.

Karimov Asks ROK To Exchange Consulates

OW0612015591 Moscow INTERFAX in English 1515 GMT 5 Dec 91

[Transmitted via KYODO]

[Text] Uzbekistan's President Islam Karimov has invited South Korea to exchange consulates. He did so in Tashkent on Wednesday [4 December] at a reception given in honour of South Korea's ambassador. More than 200,000 Koreans live in Uzbekistan, said I. Karimov, and they could give assistance in the development of comprehensive contacts.

Uzbekistan, I. Karimov stressed, has rich natural resources and labor reserves. It is interested in using them effectively, in attracting foreign investment and in obtaining modern technologies.

The South Korean ambassador invited I. Karimov to visit his country early next year and said that he will inform his government of all proposals made during the meeting.